

Treasury Department to each such State unemployment fund, and particularly to the unemployment administration fund of the State of New York; to the Committee on Ways and Means.

2951. Also, memorial of the Senate of the State of New York, requesting the Congress to enact into law with all convenient speed the Wagner-Rogers bill to allow for the entrance into this country in the next 2 years of 20,000 children from persecuted families in Germany; to the Committee on Labor.

2952. By Mr. MARTIN J. KENNEDY: Petition of Lodge No. 730, Brotherhood of Railway and Steamship Clerks, Poplar Bluff, Mo., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2953. Also, petition of System Council No. 18, International Brotherhood of Blacksmiths, Drop Forgers, and Helpers, Indianapolis, Ind., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2954. Also, petition of Schering Corporation, Bloomfield, N. J., urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2955. By Mr. KEOGH: Petition of the Liberty Park Home Owners' Association of Ridgewood, Brooklyn, N. Y., concerning the Wagner-Rogers bill; to the Committee on Labor.

2956. Also, petition of the Chamber of Commerce of the State of New York, concerning Farm Act appropriations and research laboratories; to the Committee on Appropriations.

2957. Also, petition of the Social Service Employees' Union, New York City, concerning the Wagner-Rogers bill; to the Committee on Labor.

2958. Also, petition of the hospital of the New York Society for the Relief of the Ruptured and Crippled, concerning the Allen bill (H. R. 5119); to the Committee on Ways and Means.

2959. Also, petition of the South Miami School, South Miami, Fla., concerning House bill 3517 and Senate bill 1305, Federal aid for education; to the Committee on Education.

2960. Also, petition of the Allied Patriotic Societies, Inc., New York City, opposing Senate bill 1305 and House bill 3517, education aid bill; to the Committee on Education.

2961. By Mr. LEAVY: Petition of the town council of Oroville, Wash., transmitted by G. O. Potter, clerk, pointing out the need for restoration of purchasing power among the people to revive trade and bring about reemployment and deploring the inadequacy of the Social Security Act to accomplish these objectives, because it omits and discriminates against certain classes of citizens and urging the enactment of House bill 2, the Townsend national recovery plan, to fulfill these purposes; to the Committee on Ways and Means.

2962. By Mr. PFEIFER: Petition of the Anthony Wayne Oil Corporation, Fort Wayne, Ind., concerning pending neutrality legislation; to the Committee on Foreign Affairs.

2963. Also, petition of the Brooklyn Army Base Local, No. 43, of the United Federal Workers of America, favoring the passage of House bill 960; to the Committee on the Civil Service.

2964. Also, petition of the Allied Patriotic Societies, Inc., New York City, opposing the so-called education bill (S. 1305 and H. R. 3517); to the Committee on Education.

2965. Also, petition of the Namm Store, Brooklyn, N. Y., concerning the Wagner-Rogers bill; to the Committee on Labor.

2966. Also, memorial of the State Assembly, Legislature of the State of New York, concerning amendments to the Social Security Act; to the Committee on Ways and Means.

2967. Also, memorial of the State Senate, Legislature of the State of New York, favoring postage rates on books the same as those rates on magazines and newspapers; to the Committee on Ways and Means.

2968. Also, petition of the Chamber of Commerce of the State of New York, concerning adequate appropriation be included in the Farm Act for more research laboratories; to the Committee on Appropriations.

2969. Also, petition of the Social Service Employees' Union, New York City, with reference to the Rogers-Wagner bill; to the Committee on Labor.

2970. Also, petition of the Hospital of the New York Society for the Relief of the Ruptured and Crippled, New York City, concerning amendment to the Coal Act; to the Committee on Interstate and Foreign Commerce.

2971. By Mr. RICH: Petition of citizens of Clinton County, Pa., favoring the passage of House bill 2; to the Committee on Ways and Means.

2972. By Mr. WELCH: Resolution passed by the Board of Supervisors of the City and County of San Francisco, authorizing Government purchase and development of Hunters Point drydock; to the Committee on Appropriations.

2973. Also, resolution passed by the Board of Supervisors of the City of San Francisco, protesting against the establishment of title of the United States to certain submerged lands containing petroleum deposits; to the Committee on the Public Lands.

2974. Also, resolution passed by the Board of Supervisors of the City and County of San Francisco, requesting the United States Maritime Commission to promote shipbuilding in Pacific coast yards; to the Committee on Merchant Marine and Fisheries.

2975. Also, resolution passed by the Board of Supervisors of the City and County of San Francisco, memorializing Congress to enact intercoastal shipping subsidy; to the Committee on Merchant Marine and Fisheries.

2976. By the SPEAKER: Petition of the Ninth District Petroleum Industries Committee, Birmingham, Ala., petitioning consideration of their resolution with reference to 4 cents per gallon Federal lubricating oil tax; to the Committee on Ways and Means.

2977. Also, petition of Florence McGourty, president of the Business Girls Club of the Young Women's Christian Association, Seattle, Wash., petitioning consideration of their resolution with reference to the Wagner-Rogers bill; to the Committee on Immigration and Naturalization.

SENATE

TUESDAY, MAY 9, 1939

(Legislative day of Monday, May 8, 1939)

The Senate met at 12 o'clock m., on the expiration of the recess.

The Chaplain, Rev. Z. Barney T. Phillips, D. D., offered the following prayer:

O God, whose never-failing providence ordereth all things both in heaven and earth: Absolve, we beseech Thee, Thy people from all their offenses and breathe on us here the spirit of Thy calm ere we undertake the exacting duties of today. We have known the gladness that departs at touch of sorrow; we have seen the light that was swallowed up of darkness and have heard the music that was silenced in sobbing, garments of experience and beautiful for a season; but now we would go to life's very soul and find the joy that can dwell with sorrow, the light that shines in darkness, and the music that is born of pain. Grant that we may look even upon despair with the unveiled eyes of hope that is woven not of dreams but of the imperishable tissue of reality, and discern the master light of all our seeing in the face of the Christ of our daily experience. In His name we ask it. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, May 8, 1939, was dispensed with, and the Journal was approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Latta, one of his secretaries.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.
The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Danaher	Johnson, Calif.	Radcliffe
Andrews	Davis	Johnson, Colo.	Reed
Ashurst	Donahay	King	Reynolds
Austin	Downey	La Follette	Russell
Bankhead	Ellender	Lee	Schwartz
Barbour	Frazier	Lodge	Schwellenbach
Barkley	George	Logan	Sheppard
Bilbo	Gibson	Lucas	Shipstead
Bone	Gillette	Lundeen	Slatery
Borah	Glass	McKellar	Smathers
Bridges	Green	McNary	Smith
Brown	Guffey	Maloney	Stewart
Bulow	Gurney	Mead	Taft
Burke	Hale	Miller	Thomas, Okla.
Byrd	Harrison	Minton	Thomas, Utah
Byrnes	Hatch	Murray	Tobey
Capper	Hayden	Norris	Townsend
Caraway	Herring	Nye	Tydings
Chavez	Hill	O'Mahoney	Vandenberg
Clark, Idaho	Holman	Overton	Wagner
Clark, Mo.	Holt	Pepper	Walsh
Connally	Hughes	Pittman	Wheeler

Mr. MINTON. I announce that the Senator from Indiana [Mr. VAN NUYS] is detained from the Senate because of illness.

The Senator from North Carolina [Mr. BAILEY], the Senator from West Virginia [Mr. NEELY], and the Senator from Missouri [Mr. TRUMAN] are detained on important public business.

The Senator from Nevada [Mr. McCARRAN] is absent on official business for the Committee on the Judiciary.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 4653. An act to amend an act entitled "An act to control the possession, sale, transfer, and use of pistols and other dangerous weapons in the District of Columbia, to provide penalties, to prescribe rules of evidence, and for other purposes," approved July 8, 1932;

H. R. 4654. An act to amend an act entitled "An act for the establishment of a probation system for the District of Columbia," approved June 25, 1910;

H. R. 4745. An act relating to benefit assessments from condemnation proceedings for the opening, extension, widening, or straightening of alleys or minor streets;

H. R. 5516. An act for the relief of Charlotte E. Hunter;

H. R. 5801. An act to grant permission for the construction, maintenance, and use of a certain underground conduit for electrical lines in the District of Columbia;

H. R. 5987. An act to amend the District of Columbia Traffic Act of 1925 (43 Stat. 1119); and

H. R. 6149. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1940, and for other purposes.

ENROLLED JOINT RESOLUTIONS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled joint resolutions, and they were signed by the Vice President:

S. J. Res. 111. Joint resolution designating August 19 of each year as National Aviation Day; and

H. J. Res. 221. Joint resolution authorizing the President to invite other nations to participate in the Sacramento Golden Empire Centennial commemorating the one hundredth anniversary of the founding of Sacramento by Capt. John A. Sutter.

RELIEF OF CERTAIN OFFICERS OF VETERANS' ADMINISTRATION

The VICE PRESIDENT laid before the Senate a letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to relieve disbursing officers and certifying officers of the Veterans' Administration from lia-

bility for payment where recovery of such payment is waived under existing laws administered by the Veterans' Administration, which, with the accompanying paper, was referred to the Committee on Finance.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint resolution of the Legislature of Wisconsin, which was referred to the Committee on Appropriations:

Assembly Joint Resolution 7

Joint resolution memorializing the Congress of the United States to appropriate adequate funds for Works Progress Administration projects for relief of the needy, and to prohibit continued diversion of such funds for political purposes

Whereas early in February 1939 the Congress of the United States appropriated for anticipated relief projects to June 30, 1939, a sum of money \$150,000,000 less than the \$875,000,000 recommended by the President for that purpose; and

Whereas an executive bill is now pending in the Congress for an additional appropriation of \$150,000,000 for such purposes; and

Whereas congressional investigations have disclosed that moneys previously appropriated for the express purpose of relieving the needy and distressed were diverted and used in various States to strengthen political alliances and further political ambitions of individuals seeking political office; and

Whereas statistical records show that relief rolls have mounted to a high peak immediately before elections and thereafter sharply declined; and

Whereas it has become a matter of general knowledge that workers on Works Progress Administration projects have been directly or indirectly coerced to vote along political lines; and

Whereas such political activities in connection with the use of Works Progress Administration funds necessarily must have substantially reduced the amount of money available and applied for relief of those actually in need and in distress; and

Whereas such diversion of Works Progress Administration funds undoubtedly has resulted in increased hardship and distress to those for whom such diverted money was intended; and

Whereas this legislature recognizes the obligation to provide for those unfortunate unemployed and needy who have been so shamefully disregarded by the unscrupulous: Now, therefore, be it

Resolved by the assembly (the senate concurring), That this legislature, protesting against the continued diversion of Works Progress Administration funds for political purposes, respectfully memorializes the Congress of the United States to enact effective legislation prohibiting such diversion; and be it further

Resolved, That any additional funds appropriated by the Congress of the United States for Works Progress Administration projects be limited to an amount which is adequate to carry out anticipated relief projects to June 30, 1939, for the relief of the needy and distressed; and be it further

Resolved, That properly attested copies of this resolution be sent to the President of the United States, to both Houses of the Congress of the United States, and to each Wisconsin Member thereof.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of Wisconsin, which was referred to the Committee on Education and Labor:

Assembly Joint Resolution 40

Joint resolution memorializing Congress to amend the Walsh-Healey Act so as to provide more stringent conditions for the purchase of supplies and the making of contracts by the United States

Whereas the Walsh-Healey Act provides in part that all Government specifications and contracts involving the purchase of \$10,000 or more of supplies must contain provisions for the payment of a prevailing rate of wages to be determined by the Secretary of Labor and that employees of contractors must not work more than 8 hours in any day or 40 hours in any week; and

Whereas such act is designed to obtain social benefits from a public policy based on the limitation of expenditure of Government funds to contractors who apply fair labor conditions and that decent and general labor standards may be applied on governmental projects regardless of geographical location; and

Whereas operation under such act indicates that somewhat more than 10 percent of the total Government purchases are made thereunder and that industry has capitulated to the principles thereof; and

Whereas the Walsh-Healey Act by definition has not included manufacturers who now supply the Government through dealers, subcontractors, service contractors, and by its limitations to contracts of \$10,000 or more and the indefinite prevailing wage rate has thereby permitted circumvention and evasion of the terms thereof; and

Whereas the differential in wages permitted in various States under the prevailing wage rate has made it both impractical and impossible for the industries of Wisconsin paying a fair wage rate to competitively and successfully bid on Government contracts; and

Whereas it is manifestly unjust that the industry of a State maintaining a respectable wage rate in conformity with the policy

of the act should be penalized by losing contracts, thereby creating local unemployment, to industries of other States unscrupulously availing themselves of technical loopholes; and

Whereas Federal Labor Union, Local No. 18456, of Kenosha, Wis., through its committee, has given much time and study to the subject and respectfully urges the Congress of the United States to enact legislation that will place the industry of the entire country on an equal and commensurate wage plane, include the regular dealer in supplies to be manufactured, subcontractors, and service contractors, and define more minutely and rigorously the minimum wages to be paid under the prevailing rate to persons employed in similar work in the particular or similar industries of the country: Now, therefore, be it

Resolved by the senate (the assembly concurring), That this legislature respectfully petitions and urges the Congress of the United States to enact necessary legislation to impose more stringent and rigorous conditions to prevent evasion and circumvention of the Walsh-Healey Act in the purchase of supplies and the making of contracts by the United States; be it further

Resolved, That properly attested copies of this resolution be sent to the President of the United States, to both Houses of Congress, and to each Wisconsin Member thereof.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of Wisconsin, which was referred to the Committee on Military Affairs:

Assembly Joint Resolution 49

Joint resolution memorializing the Congress of the United States to adopt H. R. 4723, to correct the military record of Oberlin M. Carter

Whereas James W. Beckman, an overseas veteran of the World War, who was responsible for important court-martial reforms in 1919, made an open, public charge in the press of our country on October 10, 1938, that Capt. Oberlin M. Carter, Corps of Engineers, United States Army, was convicted by court martial on September 29, 1899, of a crime which never existed; and that his conviction by court martial was not justified by any evidence ever adduced before his court martial, but was obtained by means of a secret trial conducted by the then Attorney General of the United States, John W. Griggs, in the absence of Captain Carter and after his court martial had adjourned sine die, where forged and perjured evidence was manufactured and used against him in violation of the sixth amendment of the Constitution; and

Whereas the War Department of the United States has kept silent in the face of the awful charges of Mr. Beckman affecting his integrity; and

Whereas a solicitor general of the United States, in an effort to prevent the disclosure of the truth in this case, has held that when a soldier is deprived of his constitutional rights by a court martial, "the question is not one of general importance"; and has held further, in the United States the civil courts have no power to "set aside and declare void sentences of such courts martial because of . . . fraud in their proceedings"; and

Whereas Col. F. G. Munson, who stated that he represented the Judge Advocate General before the House Military Affairs Committee, testified that he saw "nothing illegal whatever" in using data which "does not appear in the court-martial record" in order to convict an accused on trial before that court martial; and

Whereas it is the sense of this legislature that those who serve in the armed forces of our country should not thereby be deprived of their constitutional rights to a fair trial, of the right to "confront the witnesses against them"; and

Whereas the special committee on the bill of rights of the American Bar Association said on January 17, 1939, of this very case: "As the injustice presented by your statement of this case is likely to recur, it seems to us to be a matter for legislation in the nature of the general bill proposed": Now, therefore, be it

Resolved by the assembly (the senate concurring), That this legislature urge the Congress of the United States to enact into law H. R. 4723, now pending before the House of Representatives, so as to show the judgment of court martial in the case of Oberlin M. Carter was unlawful; be it further

Resolved, That properly attested copies of this resolution be sent to the President of the United States, to both Houses of Congress, and to each Wisconsin Member thereof.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the Territory of Hawaii, which was referred to the Committee on Military Affairs:

Senate Concurrent Resolution 16

Be it resolved by the Senate of the Legislature of the Territory of Hawaii (the house of representatives concurring), That the Congress of the United States of America and the War Department of the United States be, and they hereby are, respectfully requested to take such steps as may be necessary to establish in the United States Army a regiment of infantry, to be known as the "Hawaiian Regiment," composed entirely of citizens who for at least 3 years have been residents in the Territory of Hawaii, and to be stationed in said Territory; and be it further

Resolved, That certified copies hereof be forthwith forwarded to the President of the Senate and the Speaker of the House of Representatives of the Congress and to the Secretary of War.

The VICE PRESIDENT also laid before the Senate a resolution of the Board of Supervisors of Shasta County, Calif., favoring the enactment of legislation for the control of debris from the mud flow from Mount Shasta as a part of, or in connection with, the Central Valley project, the operation to be at the sole expense of the Government, which was referred to the Committee on Commerce.

He also laid before the Senate resolutions of the Maryland Osteopathic Association, the New Jersey Osteopathic Society, the Ohio Society of Osteopathic Physicians and Surgeons, the Tennessee Divisional Society of the American Osteopathic Association, and the Vermont Osteopathic Association, favoring amendment of the so-called Wagner national health bill (S. 1620) so as to preserve the freedom of choice of the physician and school of practice to persons entitled to medical care, and providing osteopathic representation on Federal and State advisory councils, which were referred to the Committee on Education and Labor.

He also laid before the Senate a resolution of Townsend Club No. 1, of Traverse City, Mich., protesting against any discriminatory or punitive taxation of business on account of the size of certain enterprises, and also the alleged tendency of the Government to engage in business in competition with private citizens or corporations, and further favoring the enactment of House bill 2, a general-welfare plan providing old-age assistance, which was referred to the Committee on Finance.

Mr. HUGHES presented a resolution adopted by the Congregation Temple of Truth, of Wilmington, Del., favoring the adoption of a pending resolution permitting the immigration of certain refugee children from Germany to the United States, which was referred to the Committee on Immigration.

Mr. SHEPPARD presented the following concurrent resolution of the Legislature of Texas, which was referred to the Committee on Public Lands and Surveys:

House Concurrent Resolution 27

Whereas during the past and present sessions of Congress bills and resolutions have been introduced into the Congress of the United States of America claiming, directly and by implication, that the United States of America has sovereign rights to and is the owner of all lands, oil, and mineral reserves under water along the coast line of the United States extending out to the 3-mile limit; and

Whereas there is now pending in Congress Senate Joint Resolution No. 24, by Senator Nye, which asserts that title and ownership of said lands and said oil reserves is vested in the United States of America instead of the various individual States of the United States; and

Whereas title to such land is by right and by law vested in the several States and their grantees and they cannot be deprived of their rights to the ownership of such land without just compensation; and

Whereas Senate Joint Resolution No. 24 asserts title to said land and undertakes to appropriate the oil reserves along such coast line extending out to the 3-mile limit for the use and benefit of the United States Navy; and

Whereas the State of Texas, in its Treaty of Annexation to the United States, specifically reserved all of its lands and the public domain of the State of Texas extending along the coast line into the Gulf of Mexico 3 leagues from shore and has heretofore, by legislative enactment and by constitutional provision, conveyed title to all of said submerged land along the coast line of the Gulf of Mexico to the permanent school fund of the State of Texas, and that the title to said land, together with all mineral rights thereunder, is now vested in the permanent school fund of the State of Texas as an endowment of public education for the use and benefit of the public-school system of the State of Texas, and that there is now estimated to be oil resources vested in said fund to the extent of at least \$100,000,000: Now, therefore, be it

Resolved by the house of representatives (the senate concurring), That the adoption by the Congress of the United States of any legislation, directly or indirectly, that the United States has a sovereign title to and ownership of lands under navigable waters or any of the mineral deposits thereunder, or authorizing any suit or other proceeding by Federal officers to obtain possession or use of such lands or mineral deposits without the payment of a just compensation is contrary to law and sound policy and should be opposed; and be it further

Resolved, That Gerald Mann, attorney general of the State of Texas; Bascom Giles, land commissioner; R. A. Stuart, attorney for the Texas State Teachers Association; Gen. Claude V. Birkhead, representative of Gov. W. Lee O'Daniel; and Coke R. Stevenson, Lieutenant Governor, be, and they are hereby, authorized to oppose, in the name and on behalf of the State of Texas and of the permanent school fund and the school children of the State of

Texas, the adoption of any such legislation by Congress, and in connection therewith to furnish copies of this resolution to such committees and Members of Congress as may be appropriate or desirable, to prepare briefs and memoranda in opposition to such legislation, and submit the same to Members of Congress and to the committees considering said resolution, and to appear in opposition thereto at any hearing, and generally to take such steps as may be necessary to carry out the intent and spirit of this resolution; and be it further

Resolved, That we assert ownership to said lands and the natural resources thereof, to be vested in the permanent school fund of the State of Texas, and that we urgently request and petition our representatives in Congress from the State of Texas and other representatives in Congress to defeat the Nye resolution or any other resolution that undertakes to interfere with the title or possession of said land or any operation thereof for the use and benefit of the public free schools of the State of Texas.

Mr. PEPPER presented the following memorials of the Legislature of Florida, which were referred to the Committee on Agriculture and Forestry:

House Memorial 3

Memorial to Congress requesting that the Congress of the United States by some appropriate method give relief to the several counties of the State of Florida for the loss of taxes sustained by counties of Florida in which Federal agencies have acquired lands, thereby striking same from the tax rolls of said respective counties

Whereas during the last several years, and particularly the last 5 years, various agencies of the United States Government, and particularly the Department of Agriculture, have by purchase, condemnation, or exchange acquired sizable tracts of land in numerous counties in the State of Florida; and

Whereas by virtue of such acquisition said lands have been by operations of Federal law stricken from the tax rolls of the counties in which said lands are located; and

Whereas said counties have therein and thereby been deprived of substantial sums of money which would have been paid into them as taxes had such acquisition not been made, thereby resulting in great financial loss to said counties; and

Whereas such a loss of revenue has resulted in said counties now being confronted with chaos and embarrassment; and

Whereas the projects are for the benefit of the State and Nation rather than the counties: Now, therefore, be it

Resolved, That the Congress of the United States in its wisdom pass and appropriate relief legislation for the use and benefit of the several counties of the State of Florida in which said acquisition of real estate has reduced the tax income of said counties, and that such relief legislation provide to such counties an appropriation equal to the amount of taxes which would accrue to said county if the lands were owned by individuals; be it further

Resolved, That a copy of this memorial, under the great seal of the State of Florida, be immediately forwarded by the secretary of state to the President of the United States of America, to the President of the United States Senate, to the Speaker of the House of Representatives of the United States Congress, to the Secretary of Agriculture of the United States, and copies to be forwarded to the delegation representing the State of Florida in both the House and Senate of the United States Congress; be it further

Resolved, That a copy of this resolution be spread upon the journal in both the house of representatives and the State senate, and that sufficient copies be furnished to the press.

House Memorial 4

Requesting that the Congress of the United States of America, without further delay, pass H. R. 3747, entitled "An act to provide for improved agricultural land utilization by authorizing the rehabilitation of drainage works," introduced by WALL DOXEY, of Mississippi

Whereas this bill provides for improved agricultural land utilization by authorizing the rehabilitation of drainage works in the several States; and

Whereas it would provide an exceptional opportunity to perfect plans for the solution of acute problems confronting our drainage districts through Federal cooperation, which has heretofore only been available to the arid and semiarid Western States; and

Whereas such Federal assistance will result in the improvement and utilization of the agricultural land drained; and

Whereas the bill in question provides for an annual appropriation of \$10,000,000 for each of the fiscal years ending June 30, 1939, June 30, 1940, June 30, 1941, and June 30, 1942: Now, therefore, be it

Resolved, That it is the sense of the memorialists, the members of the Florida Legislature, that the Congress of the United States of America should enact the bill without further delay; be it further

Resolved, That a copy of this memorial, duly authenticated, be sent by the secretary of state to the President of the Senate, to the Speaker of the House of Representatives of the United States, to each Senator and Representative in Congress from this State, to the President of the United States, and to Congressman WALL DOXEY, of Mississippi.

House Memorial 6

Memorial to Congress requesting that the Congress of the United States, by appropriate legislation, authorize and empower the Surplus Commodities Corporation to purchase, handle, and dispose of sea foods and the products thereof

Whereas it is recognized by all that the sea food industry of Florida represents to this great State one of its basic industries, providing employment for many thousands of people who contribute much toward the economic well-being of the State; and

Whereas the industry is now beset by many perils, chief among which is an unstable market, due largely to the accumulation of surpluses of all varieties of sea foods in the freezers and cold-storage plants throughout the Nation, and because of the activities of the Federal Government in making the American public "agriculture conscious"; and

Whereas it has been determined to be the consensus of those identified with the industry in the State that something must be done immediately to preserve the continuation of this industry founded upon the ingenuity, resourcefulness, and determination of the men engaged: Now, therefore, be it

Resolved by the Legislature of the State of Florida, now in session at Tallahassee, Fla., That the Congress of the United States be and is hereby memorialized to bring about the immediate enactment of such legislation as will authorize the Federal Surplus Commodities Corporation to buy sea food products on a parity basis with that authority the agency now has to buy other agricultural products and, further, that the legislation so enacted provide the necessary funds therefor; be it further

Resolved, That the Congress of the United States be, and is hereby, memorialized to enact legislation of such type as will provide funds for the use of the Bureau of Fisheries for an extended advertising program and educational campaign which shall be designed to increase the consumption of sea food products; be it further

Resolved by the Legislature of the State of Florida now in session, That copies of this resolution be dispatched immediately to the honorable President of the United States Senate, the honorable Speaker of the House of Representatives, the honorable Senators and Representatives from the State of Florida with the request that this resolution be read and inserted into the CONGRESSIONAL RECORD.

House Joint Memorial 7

To the Honorable Franklin D. Roosevelt, President of the United States, and the Honorable Senate and House of Representatives of the United States in Congress assembled:

We, your memorialists, the Senate and House of Representatives of the State of Florida, in legislative session assembled, do most respectfully memorialize and petition your honorable bodies as follows:

Whereas there is situated within the Everglades drainage district in the State of Florida a large body of fertile lands; and

Whereas a good portion of these lands are of peat and muck formation, which, when the same become dry, are more or less inflammable, and when fires once start in such area it is practically impossible to extinguish the same with the equipment and methods now in use for such purpose; and

Whereas the Legislature of the State of Florida has created an Everglades fire control district, but the officers of such district are operating under a great handicap by reason of the lack of information with reference to the best method to pursue in adopting a permanent plan of fire protection in the enormous territory embraced in said Everglades drainage district by reason of the lack of information as to the best methods to pursue in extinguishing fires when started in said district; and

Whereas these immensely rich muck lands and the preservation thereof are of national interest and the destruction thereof by fire is and will be a Nation-wide loss; and

Whereas there are thousands of acres of these fertile lands that are being destroyed yearly by fires; and

Whereas there is imminent danger of all the uncultivated portions of this tremendous area of muck lands being destroyed in the future by fire; and

Whereas it is the belief of the Legislature of the State of Florida that if a survey was made by the United States Government of the entire Everglades drainage district for the purpose of determining and suggesting a permanent plan for the prevention of fires in said district, and further for the purpose of determining the best method of fighting such fires when the same once start; that such a survey would be of untold benefit in the preservation of such land, and therefore would be helpful to the entire Nation: Now, therefore, be it

Resolved, That your memorialists, the Senate and House of Representatives of the State of Florida, do respectfully memorialize and petition the Congress of the United States of America to cause a survey to be made of the Everglades drainage district for the purpose of supplying information as to the best method or plans to be adopted for the permanent protection of the lands within said district from destruction by fire and for the further purpose of obtaining information for formulating plans as to the best method to fight fires in such district when the same are once started; and that such survey be made by such governmental agency and in such manner as the Congress may direct; and that the Congress appropriate such sum of money as may be necessary to carry into effect such survey; and be it further

Resolved, That copies of this memorial be immediately transmitted to the President of the United States and the Senate and House of Representatives of the United States and to each Senator and Representative in Congress from the State of Florida.

Mr. ANDREWS presented four memorials identical with the foregoing, which were referred to the Committee on Agriculture and Forestry.

The VICE PRESIDENT laid before the Senate four memorials identical with the foregoing, which were referred to the Committee on Agriculture and Forestry.

Mr. PEPPER also presented the following memorial of the Legislature of Florida, which was referred to the Committee on Foreign Relations:

House Memorial 5

Requesting the Congress to enact appropriate legislation to prohibit the exportation of scrap iron and other materials designed for armaments to aggressor nations who are dominated by dictators and militaristic leaders

Whereas in Europe and Asia certain nations are dominated by dictators and militaristic factions who are heavily arming and preparing for war and aggression against peace-loving and democratic nations; and

Whereas this Nation is permitting large shipments of scrap iron and other war materials to be exported to such aggressor nations; and

Whereas the present profits realized from such exports fail to take into account the misery and human suffering that is resulting and will result from such exportations: Be it

Resolved by the house of representatives (the senate concurring):

SECTION 1. That your memorialists, the members of the Florida Legislature, petition and memorialize the Congress to enact legislation to prohibit the shipping of scrap iron and other material designed for armaments to aggressor nations dominated by dictators and militaristic factions.

SEC. 2. That a copy of this memorial, bearing the great seal of this State, be transmitted to the President of the United States, to the President of the United States Senate, to the Speaker of the House of Representatives of Congress, and each member of the Florida delegation in Congress.

The VICE PRESIDENT laid before the Senate a memorial identical with the foregoing, which was referred to the Committee on Foreign Relations.

Mr. PEPPER also presented the following concurrent resolution of the Legislature of Florida, which was referred to the Committee on Post Offices and Post Roads:

House Concurrent Resolution 6

A resolution urging the Civil Aeronautics Authority of the United States to grant an appropriate application providing for air-mail and transportation service between the cities of Tallahassee and Orlando, Fla., by way of Ocala

Whereas it has come to the attention of the legislature that the Civil Aeronautics Authority of the United States Government is now considering, or will consider, the granting of an application providing for air mail and transportation service between the cities of Orlando and Tallahassee, Fla., by way of Ocala; and

Whereas air-mail and passenger service over the proposed route will serve as a connecting link at both of the aforesaid terminals with air transportation service now in existence; and

Whereas air passenger service over the proposed route will greatly facilitate the travel of those in central and south Florida who find it both necessary and desirous to travel to and from Tallahassee, the capital of the State of Florida; and

Whereas the proposed route will render to the entire State of Florida a much-needed and desired air mail and passenger transportation service: Now, therefore, be it

Resolved by the house of representatives (the senate concurring):

SECTION 1. That the Civil Aeronautics Authority of the United States Government be and it is hereby respectfully petitioned and requested to consider favorably and grant an appropriate application for the establishment of air mail and transportation service between the cities of Tallahassee and Orlando, Fla., by way of Ocala.

SEC. 2. That upon the adoption of this resolution by both the senate and house of representatives, the clerk of the house of representatives shall immediately transmit certified copies thereof to the Civil Aeronautics Authority of the United States, the Post Office Department of the United States, United States Senators CHARLES O. ANDREWS and CLAUDE PEPPER, and United States Congressmen from Florida, MILLARD CALDWELL, LEX GREEN, PAT CANON, JOE HENDRICKS, and HARDIN PETERSON.

EMBROIDMENT IN FOREIGN WARS—PETITIONS

Mr. CAPPER. Mr. President, I present for reference to the Committee on Foreign Relations 50 petitions asking for legislative action tending to keep the United States from embroilment in foreign wars. The petitions are from citizens of the following communities in Kansas: Cimarron, Goessel, Hillsboro, Newton, Canton, Elkhart, Galesburg, Thayer, Humboldt, Burton, Sedgwick, Halstead, Bentley, Garden City, Scott City, Modoc, Marienthal, Clay Center, Green, Lasita, Bala, Eureka, Emporia, Reading, Admire, Marion, Lincolnville,

Saffordville, Edgerton, Burdett, Sterling, Hutchinson, Atchison, Smith Center, Athol, Iola, Frankfort, Wichita, Plains, and Altamont.

The VICE PRESIDENT. Without objection, the petitions will be received and referred as requested by the Senator from Kansas.

Mr. CAPPER. Mr. President, I ask unanimous consent to have inserted at this point in my remarks excerpts from a half dozen letters typical of the thousands of the letters I have received on this subject.

The VICE PRESIDENT. Without objection, it is so ordered.

The letters referred to are as follows:

POMONA, KANS., March 24, 1939.

DEAR SENATOR: I think we as Americans have a plenty to do to guide our own Nation in the right path. If we do that and get it done as it ought to be done, we will have a great big job. And then we will not have time to run some other nation's affairs. As for war, I never was for war, and I am not now nor ever will be. War is only hatred, jealousy, and strife. It only makes destruction, disease, poverty, and sadness—everything else only happiness and good will. If the leaders of each nation had to do the fighting themselves, there wouldn't be so many wars. Our boys and men of the common rank of life shouldn't, then, be forced to slay one another in this enlightened generation.

Mrs. R. A. McEATHRON.

PITTSBURG, KANS., April 23, 1939.

Hon. Senator CAPPER,
Washington, D. C.

DEAR SENATOR CAPPER: We are wondering if you gentlemen in Washington realize the extent of the responsibility resting upon you.

Indirectly you hold in your hands the lives of our boys, and we are depending on you to see to it that they are not sacrificed to the warmongers. We are trusting you to keep us out of all foreign entanglements.

We have three boys, for whom we made many sacrifices, educating them to be useful and honorable members of society. And we would feel that our lives had, indeed, been lived in vain if they could serve no better purpose than to engage in one of Europe's ignoble wars. We are expressing not only our own sentiments but also the sentiments of thousands and thousands of parents in the great Middle West.

In the name of the God of Peace, we implore you to fulfill the duties of your high office and keep us out of war.

Sincerely yours,

Mr. and Mrs. E. B. RIORDAN.

THE GENERAL CONFERENCE OF THE MENNONITE
CHURCH OF NORTH AMERICA,
North Newton, Kans., April 29, 1939.

Hon. ARTHUR CAPPER,
Kansas Member of the United States Senate,

Washington, D. C.

DEAR SENATOR CAPPER: Since our country is in danger of being drawn into another European war, with all of its terrible consequences, I am making use of the privilege granted me by the United States Constitution "to petition the Government" and ask you, our representative in Congress, to use your full influence and power in helping set up bars that will keep us out of such a war.

To be more specific, kindly help strengthen, not weaken, the Neutrality Act.

Follow the sound foreign policy laid down by Washington of avoiding foreign entanglements and alliances.

Stop all loans or credit advances to foreign governments at war.

Enact effective legislation to take the profits out of war.

Keep our battleships and our soldiers out of foreign war zones.

Stop all shipments of war supplies to Japan or any other nation engaged in war.

Submit to the people for early ratification the war-referendum amendment.

Very respectfully yours,

J. R. THIRSTEIN.

HUTCHINSON, KANS., April 28, 1939.

Hon. ARTHUR CAPPER,
United States Senate, Washington, D. C.

DEAR SENATOR: Enclosed find copy of resolutions adopted by the Reno County Council of Women of Federated Clubs for your consideration.

Your cooperation in this matter will be greatly appreciated.

Yours very truly,

Mrs. L. H. WARNER,
President of Reno County Council.

RESOLUTIONS

Whereas we, the undersigned, are opposed to being drawn into an aggressive war: Therefore

Resolved, That we are not in favor of any bill or legislation of any kind which might entangle us in the European situation.

Respectfully submitted.

THE RENO COUNTY (KANS.) COUNCIL OF WOMEN'S CLUBS,

By Mrs. LAWRENCE HAINES,

Mrs. JOHN SHIVE,

Mrs. GUY HOUSTON, Committee.

APRIL 17, 1939.

DEAR SENATOR CAPPER: We listen to your broadcast every Sunday and appreciate your stand very much on your neutrality law, to keep us out of war with Europe. We are for a neutrality law that will keep us out of all alliances or entanglements with Europe. We raised three boys that will defend America, but will not be cannon fodder for any European nation whatever! And we are all opposed to a cash and carry neutrality law. We thank you very much and hope you will do all you can.

Yours truly,

Mr. and Mrs. ANDREW FEHRENBACH,
Bethel, Kans.

SYCAMORE VALLEY FARMS,
MRS. R. P. GILES & SONS, Owners,
Sadieville, Ky.

Senator ARTHUR CAPPER,
Washington, D. C.

DEAR SIR: First, let me say I am what you would call an average farmer. I obey the laws of my country, not because I have to, but because I want to.

I may not know what the majority of the citizens in the Nation want for foreign policy, but I do know what the citizens in my own community want. A foreign policy that worked for one and one-quarter centuries should not be discarded. We are backing you.

The foreign policy of our Nation should be what the majority of the people want, and not what the President and some of our diplomats want us to have.

Americans owe Europe nothing. Our best contribution to peace in the world lies in minding our own business. Saber rattling in Washington [I wonder what Mr. Giles thought of the parade last Friday] is not doing that. We are for strong defensive power, power to defend our own boundaries, but not to police the world.

Respectfully yours,

T. W. GILES.

P.S.—I forgot to mention that being landowners through here, and with taxes steadily increasing, I think now is the time that the Nation's leaders—now in effect "sicking" Europe on to fight—keep their minds on America's real problems. Don't you?

Mr. CAPPER. Mr. President, I received yesterday and in this morning's mail nearly 1,000 petitions, some of them signed by hundreds of persons, urging that the Congress keep the United States from becoming involved in the European war that they believe is impending. In the past few weeks I have received thousands of such petitions, and also thousands of letters and some telegrams of similar nature.

These petitions voice the sentiment of the vast majority of the people of the United States. They want to keep out of war. They want the United States Government to refrain from those steps which may lead toward our participation in Old World disputes.

Also, Mr. President, our people more and more are looking to Congress to take proper measures to keep us from becoming involved. Most of our people are coming to the realization that any attempt to recognize and determine aggressor nations in any foreign conflict amounts to our taking sides in such conflict, and that such a step ultimately means our participation in it.

More and more of our people also have come to realize that so-called "measures short of war" by which we would extend aid to a nation or group of nations, ultimately would lead to our active participation, with both money and men, in a conflict in which those nations were engaged.

Mr. President, the threatened war in Europe is not a conflict between ideologies. The line-up is not between democracies and dictatorships, although every effort is being made to sell the idea to the people of the United States that it is a conflict between democracies and dictatorships.

We cannot escape the deadly parallel with the months preceding our entry into the World War in 1917, when we were told, and were led to believe, that we would go to war to make the world safe for democracy. We no more accomplished that purpose than we participated in a war to end war.

The result of that war to end wars was almost to end democratic government in the Old World; also the aftermath of the World War was the breeding of new and perhaps even greater wars.

We in the United States, and particularly we in Congress, should beware of the propaganda with which we are being flooded day by day.

We should beware of the suggestions being artfully planted before the eyes of our leadership, that the United States assume world leadership, heading some 31 nations, in a combination against the dictatorships to defeat aggressor nations.

It is the plain duty of Congress, as I see it, to do everything in its power to prevent the Government of the United States from embarking on any such perilous course. That course leads to war, not toward peace, in my judgment.

Mr. President, I ask in all reason, how can the United States preach the Monroe Doctrine and at the same time practice intervention in Europe? I say that is an untenable position for us to take, and I say this in spite of the fact that recently the United States was placed in that position through a speech directed toward South America and a message directed to the heads of two European governments.

We hold firmly to the doctrine that European nations have no business interfering in affairs of the American continent.

I say it is just as plainly not our business to interfere in the affairs of the Old World, unless it is known beyond all peradventure of doubt that our own national interests are imperiled.

Uncle Sam should keep out of Europe's disputes and I firmly believe it is the duty of this Congress to use all the powers it has to keep us out of Europe's disputes.

The responsibility for determining our foreign policies rests not alone upon the President and the Department of State. This responsibility is shared by the Senate of the United States.

The first thing that should be recognized by those responsible for determining our foreign policy is that it must be an American foreign policy—not a British foreign policy nor a French foreign policy nor a German or Italian nor Russian foreign policy. Let us never depart from this basic principle.

Mr. President, I honestly believe that the United States can remain at peace if its people and its leadership desire to remain at peace—and will pay the price of peace.

One price of peace that leadership must pay is to give up the urge to play a leading role in power politics of the Old World.

The people of the United States will have to restrain their own urge to rush in and protect some foreign nation from what we regard as an unjustifiable attack by some other nation.

Another price of peace is the strength of mind and character to refuse to be bamboozled by foreign propaganda.

Still another price is to resist the temptation to make profits—and they will look like huge profits—from other peoples' wars. The World War made 23,000 millionaires in the United States—but those 23,000 millionaire war babies were an expensive luxury, and finally a dead loss, to the United States as a whole.

We must avoid entangling alliances; we must not make any secret commitments; we must beware of parallel courses of action.

We must provide an adequate navy, a strong air force—for defense of the Western Hemisphere; not for the defense of Guam in the Orient or the River Rhine in Europe.

We should keep our dollars at home, keep our soldiers at home, and I am inclined to wish we could keep some of the language of overzealous statesmen at home, but I suppose that is impossible.

The Congress should strengthen, not weaken, the Neutrality Act.

I think the Congress should pass the bill introduced by some 50 Senators, to take profits out of war.

The Congress should submit to the people the war referendum amendment. Those who have to fight the wars, and pay for the wars, should have some say whether the United States goes into wars overseas to save or protect foreign nations' boundaries; to play power politics for foreign nations.

No one seems to want war but a few of the big fellows. We do not need to fight another war for the international bankers. It is not the job of the United States to police the world.

Why try to butt in elsewhere? Why let the war lords of Europe drag us into another war as they would like to do?

The best policy America can pursue is to say as little as possible and to act as impartially as possible. The Neutrality Act as we have had it the past 2 years has kept us out of war. Why abandon it? After all, we have our hands full here at home just minding our own business.

Mr. President, this is a good time for us not to go abroad looking for trouble. There is too much trouble in Europe to be had for the looking.

Anyway, we have troubles enough at home to keep us busy.

Helping the farmer save his farm; helping the unemployed get jobs; helping business to get back on its feet; starting to balance the Federal Budget; working out a more equitable and better balanced tax system; in other words, setting our own house in order is a big enough job to keep us busy for some time to come without taking on a foreign war.

REPORTS OF COMMITTEES

Mr. WALSH, from the Committee on Naval Affairs, to which was referred the joint resolution (S. J. Res. 126) to amend the act to authorize alterations and repairs to certain naval vessels, and for other purposes, approved April 20, 1939, reported it without amendment and submitted a report (No. 402) thereon.

Mr. SMITH, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 2270) to authorize the Secretary of Agriculture to purchase refuge lands within the State of South Carolina for the perpetuation of the eastern wild turkey and to provide pure-blood brood stock for restocking within its native range, and for other purposes, reported it with an amendment and submitted a report (No. 405) thereon.

Mr. LOGAN, from the Committee on Mines and Mining, to which was referred the bill (S. 1806) to provide for the construction and equipment of a building for the experiment station of the Bureau of Mines at Rolla, Mo., reported it without amendment and submitted a report (No. 403) thereon.

He also, from the Committee on the Judiciary, to which was referred the bill (S. 438) to repeal and reenact section 83 of the Judicial Code, as amended, relating to Federal court districts in the State of Kentucky, reported it with an amendment and submitted a report (No. 404) thereon.

He also, from the Committee on Military Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 1901. A bill to extend to Sgt. Maj. Leonard E. Browning, United States Marine Corps, the benefits of the act of May 7, 1932, providing highest World War rank to retired enlisted men (Rept. No. 406); and

S. 2163. A bill to authorize an appropriation to meet such expenses as the President, in his discretion, may deem necessary to enable the United States to cooperate with the Republic of Panama in completing the construction of a national highway between Chorrera and Rio Hato, Republic of Panama, for defense purposes (Rept. No. 407).

Mr. BARKLEY, from the Committee on the Library, to which was referred the bill (H. R. 5136) to amend the act entitled "An act to provide books for the adult blind," approved March 3, 1931, reported it without amendment.

EXECUTIVE REPORT OF THE JUDICIARY COMMITTEE

As in executive session,

Mr. PITTMAN, from the Committee on the Judiciary, reported favorably the nomination of John J. Barc, of Michigan, to be United States marshal for the eastern district of Michigan. (Mr. Barc is now serving in this office under an appointment which expired March 16, 1939.)

The VICE PRESIDENT. The report will be placed on the Executive Calendar.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BYRD:

S. 2371. A bill for the relief of Josephine Russell; to the Committee on Claims.

By Mr. CHAVEZ:

S. 2372. A bill for the relief of George F. Hottinger; to the Committee on Claims.

By Mr. SMITH:

S. 2373. A bill granting an increase of pension to Jeanette W. Moffett; to the Committee on Pensions.

By Mr. WALSH:

S. 2374. A bill to authorize the appointment of Lawrence F. Connolly as a lieutenant in the United States Navy; to the Committee on Naval Affairs.

By Mr. McNARY:

S. 2375. A bill to amend the Bonneville Project Act; to the Committee on Commerce.

By Mr. WHEELER:

S. 2376. A bill for the relief of Millie E. Clark and the minor children of Ernest B. Clark; to the Committee on Claims.

By Mr. LODGE:

S. 2377. A bill to amend the Commodity Exchange Act, as amended, to extend its provisions to hides; to the Committee on Agriculture and Forestry.

By Mr. SMATHERS:

S. 2378. A bill for the relief of Yeomans-Drews Corporation; and

S. 2379. A bill for the relief of certain purchasers of lands in the city of New Brunswick, N. J.; to the Committee on Claims.

By Mr. PEPPER:

S. 2380. A bill to provide for mandatory or compulsory inspection and permissive or voluntary grading of fish, fishery products, fishery byproducts, shellfish, crustacea, seaweeds, and all other aquatic forms of animal and vegetable life and the products and byproducts thereof, and for other purposes; to the Committee on Commerce.

S. 2381. A bill to provide for the retention on the active list of the Navy of certain naval aviators found to be fitted for promotion; to the Committee on Naval Affairs.

S. 2382. A bill to provide for appeals from orders granting new trials in civil cases; and

S. 2383. A bill to make the Robinson-Patman Antidiscrimination Act inapplicable to purchases of supplies made by State welfare agencies; to the Committee on the Judiciary.

By Mr. O'MAHONEY:

S. 2384. A bill for the relief of Lyle L. Bressler; to the Committee on Claims.

By Mr. THOMAS of Oklahoma:

S. 2385. A bill for the relief of Otis Countrymon (with accompanying papers); to the Committee on Military Affairs.

(Mr. WALSH introduced Senate bill 2386, which was referred to the Committee on Immigration and appears under a separate heading.)

By Mr. DAVIS:

S. 2387. A bill granting an increase of pension to Catherine Pennington; to the Committee on Pensions.

By Mr. WAGNER:

S. J. Res. 132. Joint resolution authorizing the exhibition of the original manuscript copy of the Constitution of the United States among the Federal exhibits at the New York World's Fair; to the Committee on the Library.

CITIZENSHIP FOR ALIEN WORLD WAR VETERANS

Mr. WALSH. Mr. President, I ask consent to introduce a bill conferring citizenship on alien World War veterans, and ask to have it printed in the RECORD and referred to the Committee on Immigration, and I also request consent to have printed in the RECORD an explanatory statement thereof.

The VICE PRESIDENT. Without objection, the bill will be received and referred, as requested by the Senator from Massachusetts, and the bill and statement referred to will be printed in the RECORD.

The bill (S. 2386) conferring citizenship upon alien World War veterans was read twice by its title, referred to the Committee on Immigration, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That all alien veterans who served in the armed forces of the United States during the World War for any period of time between April 6, 1917, and November 11, 1918, who

were honorably discharged from such service, be, and they are hereby declared to be, citizens of the United States, provided (1) that such alien veterans have been legally residing within the territorial limits of the United States for the past year; and (2) that such alien veterans have not, since their discharge from such service, taken any oath of allegiance to any foreign power; and (3) that such alien veterans have not been convicted of any felony within the past 5 years.

The explanatory statement relative to the bill presented by Mr. WALSH is as follows:

This bill confers United States citizenship upon all alien World War veterans who served in the armed forces of the United States, provided that (1) such alien veterans were honorably discharged from such service; (2) such alien veterans have been legal residents within the territorial limits of the United States for the past year; (3) such alien veterans have not since their discharge taken any oath of allegiance to any foreign power; and (4) such alien veterans have not been convicted of any felony within the past 5 years.

The bill conforms to previous acts of the Congress which have granted certain exemptions to alien veterans in order to assist them in becoming naturalized, although no act has conferred citizenship forthwith as would this bill. The Congress heretofore, for a limited period, however, gave to alien veterans the privilege of filing petition for citizenship upon showing only 1 year's residence and good moral character for 1 year. But all aliens generally are now required to show 5 years' residence and good moral character for 5 years before they may become naturalized.

There are said to be hundreds of alien World War veterans who still believe that because they took the oath of allegiance to this country when they were inducted into the United States forces they automatically became American citizens. Many of the States even grant certain privileges of American citizenship to honorably discharged veterans, such as permitting them to register and vote upon showing their honorable discharge certificates. But while the Congress has paid veterans their adjusted-service certificates, and in many cases awarded them compensation for their World War disabilities, yet many such veterans are still in fact aliens despite their honorable service on behalf of the United States. Such alien veterans are denied the privilege of taking civil-service examinations, whereas veterans who are citizens are given preferences in such examinations. Many alien veterans have even been deported from this country and separated from their American wives and children. Many alien veterans have been dropped from W. P. A. or the relief rolls throughout the United States because of the requirement that those on relief must be citizens. The present bill would alleviate such conditions and automatically confer the rights of citizenship upon our alien World War veterans under the conditions stated.

It has not been possible to ascertain the total number of aliens who served in the armed forces of the United States during the World War, as no such record was kept by the Army and the Navy. The statistics of the War and Navy Departments merely show the entire number of aliens who were registered and classified under the provisions of the Selective Service Law, and do not show how many aliens were actually inducted into service. Nor has the Labor Department any data showing the number of aliens who so served, or who have not been naturalized, and who, therefore, would be eligible for citizenship under the provisions of this bill. However, it has been generally estimated that there are at least 250,000 alien veterans who would benefit if this bill is enacted into law.

PREVIOUS ACTS ON BEHALF OF ALIEN VETERANS

Various acts have been passed by the Congress since the World War granting certain exemptions on behalf of alien veterans of the World War from the usual requirements for naturalization, such as:

- (1) Permitting them to receive final citizenship papers after filing declaration of intention without proof of the required 5 years' residence.
- (2) Permitting those in the military or naval service to file petition for naturalization without making preliminary declaration of intention.
- (3) Relieving them of the necessity of proving continuous residence immediately preceding the date of filing petition for naturalization.
- (4) Permitting those still in the service to file petition for naturalization without appearing in court.
- (5) Conferring citizenship upon them if honorably discharged from the service or having ordinary discharges with recommendation for reenlistment without being required to file declaration of intention.
- (6) Relieving them from paying the head tax and filing fee to accompany declaration of intention.
- (7) Conferring nonquota immigrant status to their unmarried children under 18 years of age.
- (8) Stating they could not be subject to deportation on the ground of becoming public charges.
- (9) Conferring upon them the right to citizenship under the same conditions as existed before the World War.
- (10) Providing for the issuance of certificates of repatriation of such alien veterans.
- (11) Conferring upon aliens who served in the military and naval forces of the 22 allied nations during the World War, and who were honorably discharged therefrom, the same privileges as were accorded alien veterans who served in the United States forces.

However, all these exemptions and privileges were for limited periods only, and are no longer in effect. Unfortunately, many alien veterans were never advised of such exemptions, or never learned

of them, and it is now too late, of course, to avail themselves of the benefits of these acts.

PRECEDENTS

There is nothing novel in the Congress thus conferring American citizenship by en masse legislation, as this has been done even in recent years. Thus, by the act of June 20, 1924, all noncitizen Indians born within the territorial limits of the United States were declared to be citizens of the United States. By the act of February 25, 1927, American citizenship was conferred upon certain inhabitants of the Virgin Islands. By the act of June 27, 1934, all persons born in Puerto Rico on or after April 11, 1899, who were not citizens, subjects, or nationals of any foreign power, were thereby declared to be citizens of the United States.

PRESENT REQUIREMENTS

The general requirements for naturalization of all aliens at the present time are as follows:

- (1) The applicant must have had at least 5 years' continuous residence in the United States, and must be able to show he has had good moral character for 5 years, before he can secure his final citizenship papers.
- (2) An alien, of course, can file his declaration of intention (called his first paper) as soon as he is legally admitted to this country; that is, as soon as he has established a domicile after such admission. After the expiration of 5 years, he can petition for his final papers, and secure same 90 days thereafter.
- (3) If an alien has already had 5 years' residence before filing his first paper, he may file such first paper, and then after but the lapse of 2 years, petition for and secure his final papers.
- (4) No exemptions or privileges to facilitate or expedite the naturalization of alien veterans are now accorded them. The acts of the Congress granting such exemptions or privileges, while re-enacted several times, are no longer in effect. Alien veterans must thus follow the procedure outlined above.

NATURALIZATION FEES

All aliens now applying for naturalization receive the benefit of reduced fees, provided for in a bill which I sponsored and which became law April 19, 1934. That bill reduced fees by 50 percent, or otherwise set fees as follows:

- (1) Reduced filing fee for declaration of intention from \$5 to \$2.50.
- (2) Reduced filing fee for petition for naturalization from \$10 to \$5.
- (3) Reduced fee for securing certificate of arrival from \$5 to \$2.50.
- (4) Reduced fee for securing copy of naturalization certificate, and for certificate of derivative citizenship from \$10 to \$1.
- (5) Reduced cost of registration of arrival from \$20 to \$10.
- (6) Fixed a limit of \$25 for counsel fees in naturalization proceedings.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated below:

H. R. 4653. An act to amend an act entitled "An act to control the possession, sale, transfer, and use of pistols and other dangerous weapons in the District of Columbia, to provide penalties, to prescribe rules of evidence, and for other purposes," approved July 8, 1932;

H. R. 4654. An act to amend an act entitled "An act for the establishment of a probation system for the District of Columbia," approved June 25, 1910;

H. R. 4745. An act relating to benefit assessments from condemnation proceedings for the opening, extension, widening, or straightening of alleys or minor streets;

H. R. 5516. An act for the relief of Charlotte E. Hunter;

H. R. 5801. An act to grant permission for the construction, maintenance, and use of a certain underground conduit for electrical lines in the District of Columbia; and

H. R. 5987. An act to amend the District of Columbia Traffic Act of 1925 (43 Stat. 1119); to the Committee on the District of Columbia.

H. R. 6149. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1940, and for other purposes; to the Committee on Appropriations.

AMENDMENT TO AGRICULTURAL DEPARTMENT APPROPRIATION BILL

Mr. WALSH submitted an amendment intended to be proposed by him to House bill 5269, the Agricultural Department appropriation bill, 1940, which was ordered to lie on the table and to be printed, as follows:

On page 97, between lines 16 and 17, to insert the following new paragraph:

"Of the sum appropriated by the preceding paragraph, \$2,000,000 shall be available for paying 10 percent of the approved schedules of prices for salvaged timber products purchased or to be purchased from the owners thereof by the Federal Surplus Commodities Corporation, Northeastern Timber Salvage Administration, said 10 percent being in addition to a payment of 90 percent of

such schedules of prices made or to be made from funds loaned by the Disaster Loan Corporation to the Federal Surplus Commodities Corporation, Northeastern Timber Salvage Administration."

JEFFERSON DAY SPEECH BY SENATOR JOHNSON OF COLORADO

[Mr. BARKLEY asked and obtained leave to have printed in the Appendix a Jefferson Day speech delivered by Senator JOHNSON of Colorado at Milwaukee, Wis., on May 7, 1939, which appears in the Appendix.]

CIVIL LIBERTIES—ADDRESS BY SENATOR SCHWELLENBACH

[Mr. MEAD asked and obtained leave to have printed in the RECORD a radio address delivered by Senator SCHWELLENBACH on May 8, 1939, regarding the work of the Senate Civil Liberties Committee, which appears in the Appendix.]

LOANS UNDER THE MEAD BILL—ARTICLE BY ERNEST K. LINDLEY

[Mr. MINTON asked and obtained leave to have printed in the RECORD an article entitled "Little Man Gets Help," by Ernest K. Lindley, dealing with loans under the Mead bill, which appears in the Appendix.]

EXPORTS AND IMPORTS UNDER TRADE AGREEMENTS

[Mr. MINTON asked and obtained leave to have printed in the RECORD certain data relating to United States exports and imports of grain supplies, cattle, and other farm products under the reciprocal-trade agreements, which appear in the Appendix.]

PLEAS FOR PEACE BY THE POPE AND THE DUKE OF WINDSOR

[Mr. CHAVEZ asked and obtained leave to have printed in the RECORD the text of the address of Pope Pius XII to the National Eucharistic Congress at Algiers, Algeria, and also the text of the Duke of Windsor's peace talk, delivered from Verdun, France, which appear in the Appendix.]

ADMISSION OF GERMAN REFUGEE CHILDREN

[Mr. WAGNER asked and obtained leave to have printed in the RECORD a number of editorials concerning the admission of German refugee children into the United States, which appear in the Appendix.]

TRIBUTES TO A. A. A. SCHOOL SAFETY PATROLS

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD excerpts from commendations of the school-patrol movement sponsored by the American Automobile Association, its affiliated motor clubs, schools, and police, which appear in the Appendix.]

AGRICULTURAL DEPARTMENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 5269) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1940, and for other purposes.

The VICE PRESIDENT. When the Senate took a recess yesterday afternoon it had concluded the consideration of the committee amendments to the agricultural appropriation bill then under consideration. The Senator from Arkansas [Mr. MILLER] has advised the Chair that he desires to offer an amendment to the bill. The Senator from Arkansas.

Mr. MILLER. Mr. President, I offer an amendment.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 92, in line 21, it is proposed to strike out "\$21,462,329" and insert in lieu thereof "\$23,362,349."

Mr. MILLER. Mr. President, the amendment offered by me proposes to increase the appropriation by the sum of \$1,900,000 for the distinct purpose of providing funds to be available for expenditure by the Soil Conservation Service in cooperation with and in assisting the work that is being undertaken throughout the country by the soil-conservation districts. Thirty-five States have enacted soil conservation district laws, under which the farmers of those States organize what are termed soil-conservation districts. Each district is operated entirely by the farmers. The farmers do the work themselves; they furnish the material themselves; and the only thing that they are asking the Soil Conservation Service to furnish is technical assistance. Under the operation of those districts the Service undertakes to survey

the districts and the watersheds, and to map out and coordinate and correlate a plan for the prevention of soil erosion and the conservation of the soil. The individual farms are mapped, and the work is done on the individual farms under, as I have suggested, the supervision of the Soil Conservation Service.

There are at present organized in the various States 146 soil-conservation districts. The Soil Conservation Service is cooperating with only 94 of those districts, and it will be utterly impossible for the Service to cooperate with the other districts unless this additional sum of money is provided. Unless we give this encouragement to the farmers who are engaged in land-utilization and soil-conservation practices, it simply means that during another period of years the destructive methods of farming which have been employed in past years will continue.

The conservation of our soil is a subject which it is not necessary to discuss before this body. I know that the Senate is entirely familiar with the devastating practices which have been indulged over a period of years. I know Senators realize that ordinarily, in the case of land that is susceptible of erosion, it takes 2,000 years for nature to build a soil 7 inches deep. That soil may be utterly destroyed within a period of 10 to 15 or 25 years unless soil-conservation methods are used.

Every year there pours into the Gulf of Mexico soil from 31 States of the Union to the extent of 740,000,000 tons. A comparable amount is pouring into the ocean from every other watershed in the country. It seems to me we can well afford to appropriate this sum of money to be given to the farmers who are now alive, as never before, to the necessity of soil conservation.

I do not know what induced the committee not to allow this sum. The matter was fully presented to the committee, and the hearings on the subject are to be found on pages 543 to 583. A casual reading of the hearings will disclose the absolute necessity for the appropriation of this sum of money, provided we believe in making the effort, provided we believe in lending aid and assistance to those who are undertaking to rehabilitate themselves. It is simply a question for Congress to determine whether or not we want now, while the people of the Nation are alive to the necessity, to give them this assistance to help themselves.

This work is not carried on haphazardly. So far as I am aware, the present is the only time in the history of the country when the farmers themselves have realized the absolute necessity of doing this work. Soil-conservation districts now are organized in 24 States of the Union. As I have said, 35 States have enacted laws under which such districts will be organized. There are now statutes pending and movements for the purpose in five additional States. The State of Iowa passed such a bill just a few days ago, as I understand, and other States are fast seeking to avail themselves of this privilege.

What happens in a soil-conservation district? The district is organized by watersheds, or a series of small watersheds. The Soil Conservation Service then comes in at the request of the farmers themselves, at the request of the commissioners of the district, and makes a survey and a map of the entire watershed, and a plan is prepared and adopted by the farmers. It is a matter of cooperation by them. Then the soil supervisors agree with the Soil Conservation Service to carry out the program over a period of 5 years. What I am asking for the great number of districts that have been organized, embracing many millions of acres of land, that money be provided with which to employ the technical assistance and technical aid necessary to help the local men carry on the work.

The survey shows that in this country today 282,218,263 acres of tillable land, plowable land, have been destroyed by erosion. Let me repeat those figures: There are now 282,000,000 acres of land that have been destroyed by erosion out of practically 2,000,000,000 acres of land in the entire United States; and that includes mountainous land.

In the State of Alabama, for instance, 25 percent of the land is suffering from severe erosion.

In the State of Arizona 10 percent is suffering from severe erosion.

In the State of Arkansas only 3 percent is suffering from severe erosion, but 52 percent of the land in Arkansas is suffering from erosion to some extent. I am giving, however, the figures for the land that is practically destroyed so far as farming purposes are concerned.

In the State of Colorado 23 percent is so destroyed.

In the State of Kentucky 45 percent is virtually destroyed.

In the State of Oklahoma, a new State, yet one that is suffering more from soil erosion than is any other State in the Union because of the wind, because of the water, and because of the types of soil, 53 percent is practically destroyed.

Taking it all in all, on the tremendous area of 282,000,000 acres of land in this country, farmers are now unable to make a living.

Mr. NORRIS. Mr. President—

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Nebraska?

Mr. MILLER. I yield.

Mr. NORRIS. Has the Senator the statistics for all the States of the Union?

Mr. MILLER. I have; yes.

Mr. NORRIS. Will the Senator put them all in the RECORD.

Mr. MILLER. I shall be very glad to do so.

I shall not consume the time of the Senate by stating in detail the statistics for the various States, but out of the entire area, 775,000,000 acres are now in the process of erosion, as against 282,000,000 acres that are practically destroyed. There is no apparent or only slight erosion—catch these figures, Senators, if you will—on only 700,512,011 acres of tillable land in the Nation, as against practically one billion acres upon which the erosion process has set in.

Mr. President, I ask unanimous consent to insert in the RECORD, as a part of my remarks, the table from which I have been reading.

The VICE PRESIDENT. Without objection, it is so ordered.

The table is as follows:

Acres affected by erosion, by States¹

State	Mountains, mesas, badlands, etc.		No apparent or slight erosion		Moderate erosion		Severe erosion		Total acres
	Acres	Per cent	Acres	Per cent	Acres	Per cent	Acres	Per cent	
Alabama	0		5,616,851	17.1	19,050,602	57.9	8,246,135	25.0	32,913,588
Arizona	37,204,424	51.8	828,997	1.2	26,907,726	37.1	7,610,033	10.4	72,551,180
Arkansas	0		17,601,039	52.3	14,730,980	43.9	1,267,408	3.8	33,619,407
California	863,672	.9	52,137,526	52.3	41,246,591	41.4	5,386,893	5.4	99,634,672
Colorado	12,871,768	19.4	9,863,068	14.9	28,014,912	42.2	15,651,097	23.5	66,401,445
Connecticut	0		2,899,643	94.0	185,167	6.0	0		3,084,800
Delaware	0		1,172,961	93.4	82,501	6.6	0		1,255,462
Florida	0		33,190,962	93.4	2,260,215	6.4	0		35,451,177
Georgia	0		14,032,708	39.7	16,181,000	43.1	6,434,616	17.2	37,568,324
Idaho	4,412,016	6.3	21,045,762	59.5	19,332,766	56.3	8,495,223	15.9	53,285,767
Illinois	0		21,627,652	60.3	13,241,233	36.9	1,006,753	2.8	35,875,638
Indiana	0		13,845,249	60.0	7,668,043	33.2	1,553,508	6.8	23,068,800
Iowa	0		15,048,818	42.3	17,249,106	48.8	3,277,116	9.2	35,575,040
Kansas	0		14,712,707	28.0	24,382,873	46.5	13,425,369	25.5	52,520,949
Kentucky	0		1,363,860	6.3	12,613,103	49.1	11,724,735	45.6	25,701,698
Louisiana	0		20,768,763	71.9	8,107,428	28.1	1,594	(?)	28,877,785
Maine	0		17,357,210	90.7	1,775,206	9.5	1,384	(?)	19,132,800
Maryland	0		4,111,904	65.4	1,914,665	30.4	263,845	4.2	6,290,414
Massachusetts	0		4,808,979	94.3	249,098	4.9	45,037	.8	5,103,114
Michigan	0		31,514,637	86.0	4,496,510	12.3	619,356	1.7	36,630,503
Minnesota	0		37,013,515	71.9	11,002,134	21.4	3,436,745	6.7	51,452,394
Mississippi	0		10,230,444	34.5	13,963,651	53.8	3,477,585	11.7	29,671,680
Missouri	0		6,684,835	15.2	33,392,017	80.5	1,908,428	4.3	43,985,280
Montana	8,428,501	9.0	21,044,773	22.5	59,604,315	63.8	4,446,251	4.7	93,523,840
Nebraska	1,288,132	2.6	26,602,432	34.0	13,864,969	28.1	7,536,296	15.3	49,291,829
Nevada	10,056,369	14.3	235,547	.3	36,916,271	52.5	23,078,001	32.9	70,286,188
New Hampshire	0		5,364,563	93.0	405,732	7.0	0		5,770,295
New Jersey	0		3,852,443	79.9	937,407	19.5	28,696	.6	4,818,546
New Mexico	10,510,728	13.5	1,028,674	1.3	37,785,120	48.7	28,264,014	36.5	77,388,536
New York	0		20,239,079	66.7	8,989,438	29.7	1,100,816	3.6	30,329,333
North Carolina	0		19,085,264	61.0	9,368,459	30.0	2,822,576	9.0	31,276,299
North Dakota	1,972,454	4.4	33,294,957	74.1	572,728	1.3	9,108,604	20.2	44,948,773
Ohio	0		13,502,318	51.8	8,406,982	32.2	4,164,300	16.0	26,073,600
Oklahoma	854,507	1.9	2,407,940	18.9	9,213,424	20.6	26,111,010	58.6	44,586,881
Oregon	1,102,806	1.8	17,498,608	28.5	34,878,056	56.7	7,963,549	13.0	61,443,019
Pennsylvania	0		14,079,392	48.9	14,276,278	49.6	4,288,846	1.5	28,784,516
Rhode Island	0		632,907	94.0	40,255	6.0	0		673,162
South Carolina	0		12,823,083	65.7	3,631,411	18.6	3,062,306	15.7	19,516,800
South Dakota	685,116	1.4	36,196,080	73.9	8,083,917	16.5	4,046,149	8.2	49,011,263
Tennessee	0		3,656,314	13.7	12,005,700	45.0	11,017,666	41.3	26,679,680
Texas	19,724,668	11.7	46,110,143	27.2	80,165,009	47.4	23,326,645	13.7	169,326,465
Utah	23,788,225	45.0	205,656	.4	18,477,063	34.9	10,394,744	19.7	52,865,688
Vermont	0		5,073,383	86.9	765,977	13.1	0		5,839,360
Virginia	0		9,351,320	36.8	15,031,149	59.2	1,009,941	4.0	25,392,410
Washington	6,077,980	14.3	12,197,011	28.8	18,772,798	44.3	5,383,695	12.6	42,431,484
West Virginia	0		1,477,050	9.6	9,784,949	63.8	4,071,649	26.6	15,333,648
Wisconsin	0		20,669,799	58.4	12,790,647	36.2	1,903,394	5.4	35,363,840
Wyoming	4,926,949	7.9	9,505,165	15.3	38,842,490	62.2	9,904,655	14.6	62,369,239
United States	144,768,315	7.6	700,512,011	36.8	775,678,031	40.8	282,218,263	14.8	1,903,176,620

¹ Reconnaissance erosion survey of the United States, 1934.

² Less than 1/10 of 1 percent.

Mr. MILLER. Mr. President, I have referred to the fact that this matter was presented to the Appropriations Committee. A mere casual reading of the hearings before the committee will disclose the absolute necessity for the appropriation. I know there is a great hue and cry against the expenditure of money; but let me call the attention of the Senate to the significant fact that while this is a proposed expenditure of \$1,900,000, it is not an ordinary expenditure. The money we are appropriating from day to day is spent and gone, and future generations will pay for it. The money which may be spent for the purpose of combating soil

erosion, it is true, will be gone, but future generations will reap the benefit of it. It is the only appropriation I know of, or one of the few, that we can well afford to call upon the future to pay, because by this expenditure we are undertaking to rehabilitate the country, and give the people land on which they can live and support themselves and their families. We are spending yearly millions of dollars in building flood-control reservoirs and other great conservation works, such as hydroelectric reservoirs and dams.

Let me call attention to what is happening and what has happened in connection with that work. Only last year

Congress authorized the expenditure of \$325,000,000 for flood-control work. Many reservoirs were authorized, 42 in the Ohio Valley, 8 within the State of Arkansas, and some in other States. Over the entire country they are scattered round about. Fifty-four million dollars is to be expended for a huge reservoir at Denison, on the Red River, and other reservoirs are to be constructed at other places. We have spent nearly \$500,000,000 in the Tennessee Valley building reservoirs, and we will continue to expend money for such purposes.

What will happen unless this work shall be continued? Let me tell the Senate what will happen. Along the New River, in Virginia, there are four great hydroelectric-power developments. Field Reservoir, the uppermost, has lost 41 percent of its storage capacity in the 6 years since it was built. Washington Mills Reservoir, 43 miles downstream, has lost 83 percent of its capacity in less than 34 years. The power plant is about gone.

In Texas, Lake Waco was built as a power development on the Brazos River in 1930. Originally the reservoir stored a little more than 39,000 acre-feet of water. In 1936, within 6 years, the silting had reduced the capacity 20 percent.

I have a list of the reservoirs which have been measured; and it is only a question of time, and in my opinion a question of a very short time, unless corrective measures shall be adopted, before those structures will be absolutely ruined, and the money expended will have been thrown away so far as future generations are concerned.

How does the pending item affect us? Wherever soil-conservation districts carry on their work on the individual watersheds, they stop the continual working down and eroding of the land and the carrying of the silt into the drainage canals and the reservoirs. All over the Southland, and wherever drainage canals exist, the maintenance of the canals constitutes a great problem. That problem cannot be solved by the communities unassisted, because of the constant filling by silt. I have a picture in my office of some of the drainage canals in the States of Mississippi, Arkansas, Louisiana, Illinois, and Indiana, which today are absolutely filled and rendered useless because corrective measures were not taken on the watersheds to hold back the silt and prevent erosion.

Let me call attention to Lake Taneycomo in Missouri, the second largest reservoir and hydroelectric development in that State. It has a storage capacity of 44,000 acre-feet, but it has lost more than 46 percent of that storage capacity. In such instances it may not be worth while to preserve the development; but aside from that, the economic situation in this country is such as to demand the rehabilitation of our soil. No people can maintain their economic status on unfertile soil. Show me a community where the social status is low, and I will show you a community where the land from which the people are trying to obtain a living is so eroded that a living cannot be earned from it.

Let me call attention to what has been done by Soil Erosion Service in the way of preventing erosion at hydroelectric plants. In the State of North Carolina, at High Point, an experiment was conducted with a reservoir which was built there. The reservoir was filling with silt at the rate of eighty-seven hundredths percent a year. The authorities undertook to treat the watershed under the kind of operation made possible by our appropriations. They treated it over a period of years and reduced silting nearly a hundred percent, and the rainfall was nearly twice as great after the treating process had taken place as it was before. This work is our only salvation.

Mr. President, this character of work cannot be done by the C. C. C. camps. It is argued sometimes by those who probably have not had the opportunity of getting out and seeing what is going on that we should set up C. C. C. camps to do this work. We have established 355 C. C. C. camps doing soil-conservation service in this country, and that is all we have established. Those camps are in 355 small areas. They have succeeded in teaching the farmers the necessity and importance of this work, and the landowners of this country are entitled to this assistance.

Mr. President, it seems to me that unless we provide sufficient funds to assist the farmers in carrying on this great conservation work, we have reached the point of saying to them, "We are going ahead to spend your money; we are going to erect great flood-control structures; we are going to erect great dams; we are going to enact laws for the benefit of agriculture, but we are going to do nothing to preserve this country for those who come after us." Nature devastates the land because we have destroyed the natural things which were put there. We have denuded the soil of its timber; we have laid waste our country; yet we cannot give the people \$1,900,000 additional to assist them.

It is true the work can go on to a limited degree. In my State alone 10 soil-conservation districts are in operation. I hope Senators will accept my word for the statement that I have visited every area in Arkansas where soil-conservation work is proceeding. I have seen that work in operation, and I know what it means. There is no farm problem in the areas where soil-conservation work has been done and land utilization practices have been in effect over a period of 3 or 4 years. The income of the farmer has been increased, as the hearings will disclose, practically 100 percent. In such instances there is no farm problem. The county of Scott, Ark., for instance, on the western side of the State, is one of the most prosperous counties in the State; yet it is the leading soil-conservation county in our Nation. If Senators would go there and see the work being done, they would be convinced of the wisdom of this activity. The farmers in that section of our State have carried on without assistance.

One hundred and forty-six of these districts have been organized in the various States, and others are being organized every day. We can give 94 of the districts help, and that is all. Are we to deny the others? Is not the farmer living on one watershed just as important as the farmer on another?

We hear much said about long-range planning and about conservation of natural resources. If we continue to permit the soil to be eroded as during the past few years, I do not know what is going to happen to this country. It is a matter that is entirely within the discretion of this body. Before this request is refused I should like to have Senators read the hearings; I should like to have them exercise their own common sense and knowledge of affairs, and if they believe in the policy and program I am advocating I ask their support of the amendment.

REORGANIZATION PLAN NO. II—MESSAGE FROM THE PRESIDENT
(H. DOC. NO. 288)

The PRESIDENT pro tempore. The Chair lays before the Senate a message from the President of the United States, which will be read.

The legislative clerk read as follows:

To the Congress of the United States:

Pursuant to the provisions of the Reorganization Act of 1939 (Public, No. 19, 76th Cong., 1st sess.), approved April 3, 1939, I herewith transmit reorganization plan No. II, which, after investigation, I have prepared in accordance with the provisions of section 4 of the act; and I declare that with respect to each transfer, consolidation, or abolition made in reorganization plan No. II, I have found that such transfer, consolidation, or abolition is necessary to accomplish one or more of the purposes of section 1 (a) of the act.

In my message to the Congress on April 25, 1939, transmitting reorganization plan No. I, I took occasion to say that, it being obviously impracticable to complete the task of reorganization at one time, I had decided, in view of the declaration of the Congress that it should be accomplished immediately and speedily, to undertake it in several steps.

Plan No. I had to do with over-all management. Plan No. II, transmitted herewith, is designed to improve the work of the executive branch, for which, although carried on through executive departments and agencies, the responsibility to the people is through the President. It is concerned with the sole purpose of improving the administrative management of the executive branch by a more logical

grouping of existing units and functions and by a further reduction in the number of independent agencies.

I am transmitting reorganization plan No. II as the result of studies that have been made for me and of my own experience over a period of several years as the best way in which to regroup the agencies affected so as to fulfill the purposes of the act:

- (1) To reduce expenditures;
- (2) To increase efficiency;
- (3) To consolidate agencies according to major purposes;
- (4) To reduce the number of agencies by consolidating those having similar functions and by abolishing such as may not be necessary; and
- (5) To eliminate overlapping and duplication of effort.

The plan I now transmit I shall describe briefly, as follows:

I propose to transfer the Foreign Commerce Service of the United States and its functions now in the Bureau of Foreign and Domestic Commerce of the Department of Commerce and the Foreign Agricultural Service of the United States and its functions in the Department of Agriculture to the Department of State, and to consolidate them with the Foreign Service of the United States under the direction and supervision of the Secretary of State.

By this transfer and consolidation, there will be a single Foreign Service in the Department of State, but this does not mean that the interests of the commercial and agricultural communities are to be neglected, for it is a part of the plan that representatives of the Secretary of Agriculture and the Secretary of Commerce shall be placed on the Board of Foreign Service Personnel and that specific investigations relating to commerce and agriculture shall be initiated directly by the Secretaries of these two Departments who will receive directly the results of investigations in their own fields.

A much greater degree of coordination and effectiveness in our foreign establishments can be achieved under the plan than has ever before been possible. The needs of the different departments and agencies of the Government will be met more efficiently and the responsiveness of the foreign establishments to these needs will be greatly improved.

The plan presupposes that it may be necessary from time to time for various departments and agencies of the Government to send abroad specialists and technicians for relatively temporary duty. While these will not be in the Foreign Service, strictly speaking, they will be given a suitable commission by the Department of State, on a temporary basis, so that they may have the same obligations as other officers of the Foreign Service while on duty abroad.

The plan also presupposes a special training period within the Department of Commerce and the Department of Agriculture for Foreign Service officers selected to specialize in commercial or agricultural work and contemplates the fullest utilization of the experience gained abroad by Foreign Service officers in the work of the Departments of Commerce and Agriculture in this country. There will be stationed in the Department of State a liaison officer of the Department of Commerce and of the Department of Agriculture to make effective the proposed cooperation.

The plan specifically leaves undisturbed the relationships of the Department of Commerce and of the Department of Agriculture with the commercial and agricultural communities. What it does do is to consolidate the foreign services into one Foreign Service in the Department of State, where it ought to be, with the resulting advantages of economy, efficiency, better functional grouping, elimination of overlapping and duplication of effort, and greater service to our commercial and agricultural interests.

There is also transferred to the Department of State the Foreign Service Buildings Commission and its functions. This Commission is advisory to the administrative work of the Department of State and should no longer have the status of an independent establishment.

The Bureau of Lighthouses now in the Department of Commerce is transferred to the Treasury Department and consolidated with the Coast Guard in that Department. The

advantages of this consolidation are obvious and fall clearly within the provision of the act requiring me to consolidate agencies according to major purposes. This will save money on equipment and administration and will permit the better use of personnel.

The plan also includes the abolition of the office of the Director General of Railroads and of the War Finance Corporation and the transfer of their functions to the Secretary of the Treasury, to be wound up by him as rapidly as may be. In the case of the War Finance Corporation, it is directed that the final dissolution shall be accomplished not later than December 31, 1939.

I further propose to transfer to the Department of Justice the Federal Prison Industries, Inc., and the National Training School for Boys, and at the same time to abolish the Board of Trustees of the National Training School for Boys. Responsibility for the Federal penal and correctional institutions is in the Department of Justice, and these two independent establishments should be consolidated therein. None of the other Federal penal or correctional institutions has a board of trustees, and there is no need of further continuing the Board of the National Training School.

The plan also provides for the abolition of the Codification Board established for the purpose of codifying existing administrative law and the transfer of its functions to the Division of the Federal Register in the National Archives. The work of this Board has now progressed to the point where a separate board is no longer necessary and the future work of keeping the codification up to date can more efficiently and economically be carried on by the editorial staff of the Federal Register.

I find it necessary and desirable in order to accomplish the purposes of the Reorganization Act to abolish the National Bituminous Coal Commission and to transfer its functions to the Secretary of the Interior. Thus the task of conserving the bituminous-coal resources of the country may be carried on directly by the head of the department principally responsible for the conservation of fuel and other mineral supplies. The Congress placed this Commission in the Department of the Interior, but experience has shown that direct administration will be cheaper, better, and more effective than through the cumbersome medium of an unnecessary commission.

The transfer to the Department of the Interior of the Bureau of Insular Affairs in the War Department and its consolidation with the Division of Territories and Island Possessions in Interior is a functional transfer of obvious desirability. Under the provisions of existing law, however, I shall direct, where necessary, that certain correspondence from the Governor General of the Philippines shall be transmitted to the President through the Department of State.

The plan provides for the transfer to the Department of the Interior of the Bureau of Fisheries from the Department of Commerce and of the Bureau of Biological Survey from the Department of Agriculture. These two bureaus have to do with conservation and utilization of the wildlife resources of the country, terrestrial and aquatic. Therefore, they should be grouped under the same departmental administration, and in that Department which, more than any other, is directly responsible for the administration and conservation of the public domain. However, I intend to direct that the facilities of the Department of Agriculture shall continue to be used for research studies which have to do with the protection of domestic animals from diseases of wildlife, and also where most economical for the protection to farmers and stockmen against predatory animals.

The plan also provides for the transfer of the Mount Rushmore National Memorial Commission to the National Park Service in the Department of the Interior in order that this great memorial may be administered as a part of the similar work of the Park Service.

Included in the plan is a provision to transfer to the Department of Agriculture the Rural Electrification Administration, now operated as an independent establishment. The

work of this Administration in its educational as well as its lending functions is clearly a part of the rural life activities of the country and should, therefore, be administered in coordination with the other agricultural activities of the Government.

The Inland Waterways Corporation is transferred to the Department of Commerce from the War Department. This Corporation, which operates inland waterways transportation facilities, should be coordinated with the administration of other aids to commerce and industry.

I propose to transfer to the Federal Security Agency, for administration in the Office of Education, the film and radio functions of the National Emergency Council. These are clearly a part of the educational activities of the Government and should be consolidated with similar activities already carried on in the Office of Education. Similarly, Government participation in the work of the American Printing House for the Blind, except fiscal functions relating to trust funds, is transferred from the Secretary of the Treasury to the Federal Security Agency, in order that this work may be coordinated with the other work for the blind now being carried on in the Social Security Board.

The plan provides for the abolition of the National Emergency Council and the transfer to the Executive Office of the President of all its functions with the exception of the film and radio activities which go to the Office of Education. Subject to appropriations by the Congress these activities transferred to the White House would be administered in the manner best designed to give the President the information he requires from all parts of the country.

The National Emergency Council was established by Executive order in 1933 and is composed of the President, the Vice President, the members of the Cabinet, and the heads of some 23 independent establishments. Its usefulness as an actual council, which met weekly under my chairmanship, was very great in the period of the emergency which then confronted the country, but, as time has gone on, it no longer operates as a council but does continue to carry on important activities which are indispensable to the President of the United States, as well as to other branches of the Government, and the public. It maintains an information service and a press intelligence service, it publishes the United States Government Manual, and it carries on through State and central staffs an important work of coordinating and reporting.

The information service makes available general information concerning all phases of governmental activity and is provided for all who submit questions or inquiries by mail, by telephone, or by personal call. In one sense it may be called a post-office address—"Uncle Sam, Post Office Box No. 1, Washington, D. C."—to which persons who want information about the Government but do not know the exact division or agency of the Government to which to apply, may write with confidence that their questions will be answered or else sent on to the proper agency for direct reply.

The press intelligence service carried on in the council is not a service for giving intelligence to the press, but rather for making available to responsible persons in the Government, both in the executive and in the legislative branches, a clipping service, which shows what the press of the country has printed. The partial consolidation of clipping services in this unit—a consolidation which should go further—already has resulted in economy and convenience. A clipping service of this kind, on a smaller scale, was maintained for many years in the White House but it was not then available to other branches of the Government. Its return to the White House with the additional feature of availability to all the rest of the Government will promote efficiency without violating tradition.

The publication of the United States Government Manual makes available to every citizen a simplified textbook of information as to the organization and availability of the Federal agencies. Published in loose-leaf form, it is sold by the Superintendent of Documents of the Government Printing Office.

The coordinating and reporting functions of the council have to do with the presentation to the President of factual information, independently gathered, as to the progress and effect of our governmental activities. Through its State offices the council has been able to facilitate the various Federal programs particularly with respect to State and local governments.

The plan also includes certain general provisions in order to accomplish fully the purposes of the act. In addition to the transfer of bureaus and other units, it is necessary also to transfer certain functions of heads of departments; to transfer records, property, and personnel; to transfer funds; and to provide that the power of appointment occasionally, and sometimes apparently quite accidentally, vested in a subordinate official of a department, shall be vested in the head of the department. It is impossible to exercise the proper direction and supervision over subordinate units unless the definite power of appointment, fixing of compensation, transfer, and promotion or dismissal of personnel is vested in the principal responsible head. In no other way can the purpose of consolidating similar functions under a single head as required by the act be accomplished in practice.

It is one of the five purposes of the Reorganization Act "to reduce expenditures to the fullest extent consistent with the efficient operation of the Government." This is an important purpose in each phase of the plan here presented. The Reorganization Act prohibits abolishing functions—in other words, basic services or activities performed. Therefore, the reduction in expenditures must necessarily be brought about chiefly in the overhead administrative expenses of the agencies affected. In a great many cases the economies to be effected by reorganization plan No. II will be the result of improved efficiency which will, as the plan works out, require fewer persons to perform the work or will require the employment of less temporary assistance.

In the case of the consolidation of the foreign services it is estimated that the administration by a single administrative unit in the Department of State will achieve a saving of \$20,000 a year and that consolidation of the three field forces will make it possible to drop alien employees and, by a more effective use of personnel, to save an additional \$100,000 a year when the readjustments have been made.

The total administrative expense of all of the agencies affected by this plan is about \$25,000,000 per annum.

The reduction of such expenditures, which it is probable will be brought about by the taking effect of the reorganizations specified in the plan, is estimated at \$1,250,000 per annum. Certain of these economies can be brought about at once. Others will require a gradual readjustment in machinery and business practices of the agencies affected.

May I repeat what I said in my message transmitting reorganization plan No. I, that in this as in future reorganization plans not every person will agree on each and every detail. Out of the many groupings and regroupings proposed, a few of the individual agencies conceivably could be placed elsewhere, but I have been seeking to consider the functional purpose of each agency as required by the Reorganization Act itself and have made this plan with the sole purpose of improving the service rendered by the Government to its citizens in accordance with the purposes set out in the act.

In view of the fact that it is now May 9, and that any reorganization plan must lie before the Congress for 60 calendar days, and because the reorganizations of an intradepartmental character require a great deal of research and careful painstaking detailed work, I do not propose to send any further general reorganization plans to the Congress at this session.

However, there are certain transfers, abolitions, and consolidations of committees, commissions, and boards which I propose to do by means of Executive and military orders under existing law as complementary to reorganization plan No. II when it becomes effective.

Then, also, by mere administrative procedure, some small agencies which have been listed in various publications as independent establishments, but whose independence has no basis in law or in formal Executive or military orders, may

be reassigned to an appropriate placement by administrative procedure on the part of their respective heads.

Not all of the interdepartmental transfers and consolidations that are necessary and desirable have been accomplished in this reorganization plan No. II. I am directing the Bureau of the Budget to study these problems in order that they may be included in plans to be transmitted to the Congress at its next session.

For example, in order to save money and to do the work more efficiently, there are some units which should be divided so that a part of the work may be done by one agency and a part by another. Take, for example, the business of mapping. It is obviously important that the work of making surveys and accumulating data for maps should be done in the various agencies which are concerned primarily with the purpose for which the map is being drawn. On the other hand, the business of manufacturing maps might very well be consolidated in order to save money and to manufacture better maps.

I have considered the desirability of transferring the jurisdiction over deportable aliens from the Immigration and Naturalization Service in the Department of Labor to the Department of Justice, but I find that this matter will require further study, or perhaps legislation, and therefore it is not included in this plan.

I have also considered the problem of certain public lands insofar as they present overlapping jurisdiction between the Departments of the Interior and Agriculture.

Insofar as crops, including tree crops, are involved, there is something to be said for their retention in the Department of Agriculture. But where lands are to be kept for the primary purpose of recreation and permanent public use and conservation they fall more logically into the Department of the Interior.

I hope to offer a reorganization plan on this early in the next session.

There are other types of work carried on in the Federal Government where it may prove necessary and desirable to divide the functions now being carried on by a particular unit so as the better to serve the basic purpose for which the work was undertaken. Such problems I shall continue to study with the view of sending other reorganization plans involving both interdepartmental and intradepartmental reorganizations to the Congress at its next session.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, May 9, 1939.

Reorganization plan No. II, accompanying the President's message, was ordered to be printed in the RECORD, as follows:

REORGANIZATION PLAN NO. II

(Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, May 9, 1939, pursuant to the provisions of the Reorganization Act of 1939, approved April 3, 1939)

PART 1. DEPARTMENTS

SECTION 1. State Department: Transfers and consolidations relating to the Department of State and hereby effected, as follows:

(a) Foreign Commerce Service and Foreign Agricultural Service: The Foreign Commerce Service of the United States and its functions in the Bureau of Foreign and Domestic Commerce of the Department of Commerce and the Foreign Agricultural Service of the United States and its functions as established by the act of June 5, 1930 (46 Stat. 497), in the Department of Agriculture are hereby transferred to the Department of State and shall be consolidated with and administered as a part of the Foreign Service of the United States under the direction and supervision of the Secretary of State.

(b) Functions of the Secretary of Commerce and the Secretary of Agriculture transferred to the Secretary of State; exceptions: The functions of the Secretary of Commerce with respect to the Foreign Commerce Service and the functions of the Secretary of Agriculture with respect to the Foreign Agricultural Service (other than functions with respect to such services pertaining to activities in the United States and to the compilation, publication, and dissemination of information) are hereby transferred to, and shall be exercised by, the Secretary of State except and provided that under regulations prescribed by the President—

(1) The Secretary of State shall cause to be made such investigations relating to commercial and industrial conditions and activities in foreign countries and such other specific investigations relating to foreign commerce as the Secretary of Commerce shall determine to be in the public interest and shall report to the Secretary of Commerce the results of and the information secured

through such investigations. He shall also cause to be made such investigations relating to world competition and demand for agricultural products to production marketing and disposition of such products in foreign countries and to farm management and other phases of agricultural industry in foreign countries and shall conduct abroad such activities (including the demonstrations of standards of cotton, wheat, and other American agricultural products) as the Secretary of Agriculture shall determine to be in the public interest and shall report to the Secretary of Agriculture the results of and the information secured through such investigations and activities.

(2) The Secretary of Commerce may from time to time when he deems it in the public interest designate any officer in his Department to render temporary service under the provisions of and subject to the conditions named in section 5 of the act of March 3, 1927 (44 Stat. 1396).

(3) The Secretary of Agriculture may from time to time when he deems it in the public interest designate any officer of his Department to render temporary service under the provisions of and subject to the conditions named in section 2 of the act of June 5, 1930 (46 Stat. 498).

(4) The Secretary of Commerce and the Secretary of Agriculture may each designate an officer in his Department acceptable to the Secretary of State to serve in the Department of State as liaison officer in connection with the administration of the Foreign Service of the United States.

(5) One officer in the Department of Commerce designated by the Secretary of Commerce and acceptable to the Secretary of State, and one officer in the Department of Agriculture designated by the Secretary of Agriculture and acceptable to the Secretary of State shall be added to the membership of the Board of Foreign Service Personnel for the Foreign Service.

(c) Status of Foreign Service officers: Foreign Commerce Service officers and Foreign Agricultural Service officers who by reason of transfer to the Foreign Service of the United States and by appointment according to law acquire status of Foreign Service officers therein shall not be included in the total number of officers in such Service for the purpose of determining the percentage limitation established by section 10 of the act of February 23, 1931 (46 Stat. 1207), as amended.

(d) China Trade Act registrar: Such officer of the Foreign Service as the Secretary of State shall make available for that purpose may be authorized by the Secretary of Commerce to perform the duties of China Trade Act registrar provided for in the act of September 19, 1922 (42 Stat. 849), under the direction of the Secretary of Commerce.

(e) Foreign Service Buildings Commission: The Foreign Service Buildings Commission and its functions are hereby transferred to the Department of State. The Commission shall exercise advisory functions, but all other functions (including administrative functions) shall be exercised under the direction and supervision of the Secretary of State by such division, bureau, or office in the Department of State as the Secretary shall determine.

Sec. 2. Treasury Department: Transfers, consolidations, and abolitions relating to the Department of the Treasury are hereby effected as follows:

(a) Bureau of Lighthouses: The Bureau of Lighthouses in the Department of Commerce and its functions are hereby transferred to and shall be consolidated with and administered as a part of the Coast Guard in the Department of the Treasury.

(b) Director General of Railroads: Office abolished and functions transferred: The office of director general of railroads is hereby abolished. The functions and duties of the director general of railroads are hereby transferred to the Secretary of the Treasury to be exercised and performed by him personally or through such officer or officers of the Department of the Treasury as he may authorize. The Secretary of the Treasury is hereby designated as the agent provided for in section 206 of the Transportation Act, 1920 (41 Stat. 461).

(c) War Finance Corporation abolished: All of the functions, property, and obligations of the War Finance Corporation not heretofore transferred by statute to the Secretary of the Treasury are hereby transferred to the Department of the Treasury. The War Finance Corporation is hereby abolished and the Secretary of the Treasury shall complete the winding up of its affairs and shall dispose of its assets in accordance with the act of March 1, 1929 (45 Stat. 1442), not later than December 31, 1939.

Sec. 3. Department of Justice: Transfers, consolidations, and abolitions relating to the Department of Justice are hereby effected as follows:

(a) Federal Prison Industries, Inc.: The Federal Prison Industries, Inc. (together with its board of directors) and its functions, are hereby transferred to the Department of Justice and shall be administered under the general direction and supervision of the Attorney General.

(b) National Training School for Boys: The National Training School for Boys and its functions (including the functions of its board of trustees) are hereby transferred to the Department of Justice and shall be administered by the Director of the Bureau of Prisons, under the direction and supervision of the Attorney General.

(c) Board of Trustees of the National School for Boys abolished: The board of trustees of the National Training School for Boys (including the consulting trustees) is hereby abolished.

Sec. 4. Department of the Interior: Transfers, consolidations, and abolitions relating to the Department of the Interior are hereby effected as follows:

(a) Functions of the National Bituminous Coal Commission transferred: The functions of the National Bituminous Coal Commission (including the functions of the members of the Commission) are hereby transferred to the Secretary of the Interior to be administered under his direction and supervision by such division, bureau, or office in the Department of the Interior as the Secretary shall determine.

(b) National Bituminous Coal Commission abolished: The National Bituminous Coal Commission and the offices of the members thereof are hereby abolished and the outstanding affairs of the Commission shall be wound up by the Secretary of the Interior.

(c) Office of Consumers' Counsel abolished and functions transferred: The office of Consumers' Counsel of the National Bituminous Coal Commission is hereby abolished and its functions are transferred to, and shall be administered in, the office of the Solicitor of the Department of the Interior under the direction and supervision of the Secretary of the Interior.

(d) Bureau of Insular Affairs: The Bureau of Insular Affairs of the War Department and its functions are hereby transferred to the Department of the Interior and shall be consolidated with the Division of Territories and Island Possessions in the Department of the Interior and administered in such Division under the direction and supervision of the Secretary of the Interior. The office of the Chief of the Bureau and offices subordinate thereto provided for in section 14 of the act of June 4, 1920 (41 Stat. 769), are hereby abolished and all of the functions of such offices are transferred to, and shall be exercised by, the Director of the Division of Territories and Island Possessions.

(e) Bureau of Fisheries: The Bureau of Fisheries in the Department of Commerce and its functions are hereby transferred to the Department of the Interior and shall be administered in that Department under the direction and supervision of the Secretary of the Interior. The functions of the Secretary of Commerce relating to the protection of fur seals and other furbearing animals, to the supervision of the Pribilof Islands and the care of the natives thereof, and to the Whaling Treaty Act, are hereby transferred to, and shall be exercised by, the Secretary of the Interior.

(f) Bureau of Biological Survey: The Bureau of Biological Survey in the Department of Agriculture and its functions are hereby transferred to the Department of the Interior and shall be administered in that Department under the direction and supervision of the Secretary of the Interior. The functions of the Secretary of Agriculture relating to the conservation of wildlife, game, and migratory birds are hereby transferred to, and shall be exercised by, the Secretary of the Interior. The provisions of the act of May 18, 1934 (c. 299, 48 Stat. 780), as amended by the act of February 8, 1936 (c. 40, 49 Stat. 1105), insofar as they relate to officers or employees of the Department of Agriculture designated by the Secretary of Agriculture to enforce any act of Congress for the protection, preservation, or restoration of game and other wildlife and animals shall apply to officers and employees of the Department of the Interior designated by the Secretary of the Interior to exercise and discharge such duties.

(g) Officers of Biological Survey may administer oaths: The provisions of the act of January 31, 1925 (c. 124, 43 Stat. 803), shall be applicable to such officers, agents, or employees of the Department of the Interior performing functions of the Bureau of Biological Survey as are designated by the Secretary of the Interior for the purposes named in the act.

(h) Migratory Bird Conservation Commission: The Secretary of the Interior shall be chairman of the Migratory Bird Conservation Commission, and the Secretary of Agriculture shall be a member thereof.

(i) Mount Rushmore National Memorial Commission: The Mount Rushmore National Memorial Commission and its functions are hereby transferred to the National Park Service in the Department of the Interior. The functions vested in the Commission by sections 3 and 4 (a) of the act of June 15, 1938 (c. 402, 52 Stat. 694) shall continue to be exercised by the Commission. All other functions of the Mount Rushmore National Memorial Commission shall be administered by the National Park Service under the direction and supervision of the Secretary of the Interior.

Sec. 5. Department of Agriculture; Rural Electrification Administration transferred: The Rural Electrification Administration and its functions and activities are hereby transferred to the Department of Agriculture and shall be administered in that Department by the Administrator of the Rural Electrification Administration under the general direction and supervision of the Secretary of Agriculture.

Sec. 6. Department of Commerce: Transfer of Inland Waterways Corporation: The Inland Waterways Corporation and all of its functions and obligations are hereby transferred to the Department of Commerce and shall be administered in that Department under the supervision and direction of the Secretary of Commerce. The capital stock of the Corporation shall continue to be held for the United States by the Secretary of the Treasury, but all other functions, rights, privileges, and powers and all duties and liabilities of the Secretary of War relating to the Inland Waterways Corporation are hereby transferred to, and shall be exercised, performed, and discharged by the Secretary of Commerce. The Secretary of Commerce shall be substituted for the Secretary of War as, and shall be deemed to be, the incorporator of the Inland Waterways Corporation.

PART 2. INDEPENDENT AGENCIES

Sec. 201. Federal Security Agency: Transfers and consolidations relating to the Federal Security Agency are hereby effected as follows:

(a) Radio service and United States film service transferred: The functions of the Radio Division and the United States film service of the National Emergency Council are hereby transferred to the Federal Security Agency and shall be administered in the Office of Education under the direction and supervision of the Federal Security Administrator.

(b) American Printing House for the Blind: The functions of the Secretary of the Treasury with respect to the administration of the appropriations for the American Printing House for the Blind (except the function relating to the perpetual trust fund) are hereby transferred to the Federal Security Agency and shall be administered under the direction and supervision of the Federal Security Administrator. The annual report and vouchers required to be furnished to the Secretary of the Treasury by the trustees of the American Printing House for the Blind shall be furnished to the Federal Security Administrator.

Sec. 202. National Archives: Transfers, consolidations, and abolitions relating to The National Archives are hereby effected as follows:

(a) Functions of Codification Board transferred: The functions of the Codification Board, established by the act of June 19, 1937 (50 Stat. 304), are hereby transferred to The National Archives and shall be consolidated in that agency with the functions of the division of the Federal Register and shall be administered by such division under the direction and supervision of the Archivist.

(b) Codification Board abolished: The Codification Board is hereby abolished and its outstanding affairs shall be wound up by the Archivist through the division of the Federal Register in The National Archives.

PART 3. EXECUTIVE OFFICE OF THE PRESIDENT

Sec. 301. Transfers and abolitions relating to the Executive Office of the President are hereby effected as follows:

(a) Functions of National Emergency Council transferred: All functions of the National Emergency Council, other than those relating to radio service and film service (transferred by sec. 201 (a) of this plan to the Federal Security Agency), are hereby transferred to the Executive Office of the President, and shall be administered under the direction and supervision of the President.

(b) National Emergency Council abolished: The National Emergency Council is hereby abolished and its outstanding affairs shall be wound up under the direction and supervision of the President.

PART 4. GENERAL PROVISIONS

Sec. 401. Transfer of functions of heads of departments: Except as otherwise provided in this plan, the functions of the head of any department relating to the administration of any agency or function transferred from his department by this plan, are hereby transferred to, and shall be exercised by, the head of the department or agency to which such transferred agency or function is transferred by this plan.

Sec. 402. Transfer of records, property, and personnel: All records and property (including office equipment) of the several agencies and all records and property used primarily in the administration of any functions transferred by this plan and, except as otherwise provided, all the personnel used in the administration of such agencies and functions (including officers whose chief duties relate to such administration) are hereby transferred to the respective departments or agencies concerned for use in the administration of the agencies and functions transferred by this plan: *Provided*, That any personnel transferred to any department or agency by this section found by the head of such department or agency to be in excess of the personnel necessary for the administration of the functions transferred to his department or agency shall be retransferred under existing law to other positions in the Government service or separated from the service subject to the provisions of section 10 (a) of the Reorganization Act of 1939.

Sec. 403. Transfer of funds: So much of the unexpended balances of appropriations, allocations, or other funds available for the use of any agency in the exercise of any function transferred by this plan, or for the use of the head of any department or agency in the exercise of any function so transferred, as the Director of the Bureau of the Budget with the approval of the President shall determine, shall be transferred to the department or agency concerned for use in connection with the exercise of the function so transferred. In determining the amount to be transferred, the Director of the Bureau of the Budget may include an amount to provide for the liquidation of obligations incurred against such appropriations, allocations, or other funds prior to the transfer: *Provided*, That the use of the unexpended balances of appropriations, allocations, or other funds transferred by this section shall be subject to the provisions of section 4 (d) (3) and section 9 of the Reorganization Act of 1939.

Sec. 404. Transfer of functions relating to personnel: Except as prohibited by section 3 (b) of the Reorganization Act of 1939, all functions relating to the appointment, fixing of compensation, transfer, promotion, demotion, suspension, or dismissal of persons to or from offices and positions in any department vested by law in any officer of such department other than the head thereof are hereby transferred to the head of such department and shall be administered under his direction and supervision by such division, bureau, office, or persons as he shall determine.

The PRESIDENT pro tempore. The Chair also lays before the Senate, in connection with the message, reorganization plan No. II, prepared by the President, which will be published in the RECORD immediately following the message. The message and the accompanying plan will be referred to the Select Committee on Government Organization.

Mr. BYRNES. Mr. President, I ask that the message, with the accompanying plan, be printed as a public document.

The PRESIDENT pro tempore. Without objection, it is so ordered.

AGRICULTURAL DEPARTMENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 5269) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1940, and for other purposes.

Mr. LEE. Mr. President, I rise in support of the amendment offered by the Senator from Arkansas [Mr. MILLER]. I wish to congratulate the committee which reported the agricultural appropriation bill.

Put the people on the pavement and they starve to death. Put them on soil and they live. Oklahoma has oil volcanos which can darken the sky with liquid wealth, but the greatest value in Oklahoma is found in the first 6 inches of the soil. That wealth is washing away and blowing away. Thirteen million acres in Oklahoma are subject to soil erosion.

Oklahoma is one of the newest States in the Union. It is represented by the forty-sixth star in the flag; and yet our soil is badly eroded, much more so than is the soil in the Eastern States, where the rainfall is more gentle and erosion is not so noticeable. When it rains in Oklahoma—which is not often enough—it rains “gully washers” and “clod busters.” The rain takes the soil with it. And when the wind blows, it blows. Our people are rather a sturdy race. They offset the wind when they can. We have wind indicators out in the panhandle in Oklahoma. On the gable end of a house will be seen a pole sticking out horizontally. On the end of the pole is fastened one end of a long chain. Whenever the wind blows so hard that the log chain stands out straight, it is too windy to work, but if it sags a little the farmers go right on pitching hay. Our people are sturdy, but in spite of that fact the fertility of the soil is getting away from us.

Soil conservation, flood control, and agricultural relief are all part of a great program to reestablish the foundation of prosperity and wealth. When prosperity comes back to America in full measure it will come from the forks of the creek and from the grass roots—in other words, from the farms.

Our farmers feed the country. At one time John Simpson of our State painted a word picture of the farmer feeding the rest of mankind. He has a long table. Down that table sit the lawyer, the banker, the doctor, the merchant, and all the other people dining at the table of the farmer. He is the host; and yet he himself has not enough to live on. In the hearings which some Senators conducted over the Nation 2 years ago a farmer down in Texas came before the committee. He was dressed in rags. According to his testimony he had produced enough cotton to make a wide cotton belt which would girdle the globe; but he did not have enough clothes to hide his body. This condition is true of the agricultural group, which represents almost a third of the population of the Nation. Thirty million people are represented by the agricultural group. There are 6,000,000 farm families, with 5 to a family. We cannot hope to have prosperity until this third of the population has a purchasing power commensurate with the American standard of living.

The pending measure is said to be the largest appropriation bill ever brought out of a committee for agricultural purposes. I know there is opposition to it. Those who are not represented in the farm group say, “Why should we pay taxes to support the other fellow?” My answer is, “To keep his fall from pulling us down.” We cannot build a great nation upon a shifting population any more than we can erect a great building upon shifting sands.

My State of Oklahoma is young, and yet, from the scars on the face of the earth there, it is old, because, as I have

said of the heavy rainfall that comes in torrents when it comes and because of the light sandy topsoil erosion takes place rapidly. There in a new territory opened by a rush of settlers 50 years ago last month, there are farms that used to be fertile which today are eroded. It would take 3 acres to raise a crop that should be produced on 1 acre. Some of the acres will not even raise a crop at all. They are “hogbacks.” Some of them are so poor they “would not raise an umbrella,” it has been said; and down in southeastern Oklahoma occasionally the boll weevil appears and eats up everything but the mortgage.

Sixty-two and two-tenths percent of the farms that were given to the farmers of Oklahoma 50 years ago no longer belong to them. There are four reasons why the possession of the farm has passed from the farmer. One is taxes on the homestead. Several States are passing homestead tax-exemption laws. Oklahoma has enacted such a law for the homestead up to \$1,000. That is a good thing. We should put a premium and not a penalty on home ownership.

Another reason why the farmers have lost the ownership of their farms is high interest rates they had to pay on the mortgages they placed on their farms in order to improve them. This administration has beaten down interest rates and thus has afforded help in that direction.

A third reason why the farmers have lost their farms is the lower yield resulting from the loss of soil fertility. There again the present administration is fighting back with a comprehensive program that will preserve the fertility of the soil.

The fourth reason—and perhaps the most important one—is low farm prices. The farmers are losing their farms because they cannot get a fair price for what they produce. A few years ago a farmer friend of mine told me of his experience. He went to town one day with a load of oats and took along a calf that was ready for market and that he did not need. He sold the calf at the stockyards, and by the time there had been deducted yardage, the commission, the hay, and certain other service charges, which are always the same regardless of the price of livestock, he had 54 cents left from the sale price of that calf. It was lunch time; he went to the lunch counter and saw on the menu “calf liver, 50 cents.” So he spent 50 cents, and after he had eaten his lunch he had 4 cents left. He then sold his oats. Oats at that time were 7 cents a bushel. That night, before he got home, he stopped to eat supper, and his supper cost 70 cents. So he ate a calf and 10 bushels of oats. That is translating the farmer's product in terms of dollars; as he must translate it in terms of dollars before he can spend it.

When this Nation was young it was argued that in order to be a great country we must have great industries, that in order to have great industries we must protect them from competition with the Old World, and in order to protect them from competition of the industries of the Old World we must erect tariff walls. It was understood that the tariff walls would remain until our industrial institutions could be established and then those tariff walls would be lowered, but the opposite happened. The stronger the industrial group became because of the tariff the higher rose the tariff wall; the higher the tariff went the stronger the industrial group grew because of the tariff. So there developed a never-ending circle. The result was the more the farmer produced the cheaper his product got. There was an ever-widening gulf between what the farmer bought and what the farmer sold; what he sold brought less and what he bought brought increasingly more. No matter how much he increased his production, no matter how fast his herds increased, there was an ever-widening gulf between what he sold and what he bought, and it took more and more of what he sold to buy the necessities of life.

Today when we buy an article that is protected by the tariff we pay an indirect subsidy to the manufacturer. No one says anything about it; no one objects. We do not see headlines in the newspapers criticizing a system under which the consumer pays a subsidy, a bounty, to a special class, the manufacturing class; but that is the system today. Every time one buys a commodity that is protected by the

tariff he pays a tax, and that tax is a special bounty to the manufacturer, just the same as if it were collected by the Internal Revenue Department and appropriated by the Congress of the United States. It is a tax and an expenditure just the same. It is hidden a little more; it is not quite so obvious; but it is a tariff for the benefit of a special class and at the expense of the farmer, who must sell in an unprotected market and take the dollar he gets in an unprotected market and purchase commodities in a protected market. That is an unfair discrimination. But when we propose to do something for the farmer, there are those who say "No, no; let the law of supply and demand operate."

I am willing that the law of supply and demand should operate if we allow it to operate with equal force upon the manufacturer as upon the farmers. However, we have artificially protected the manufacturer by an artificial regulation of the law of supply and demand so far as the manufacturer is concerned; but we are told to let it operate naturally so far as the farmer is concerned. Therefore, we should either repeal all artificial regulations of the law of supply and demand as affecting industry, or else we should set up an offsetting artificial regulation of the law of supply and demand with respect to agriculture.

Now we have before us, according to the newspapers, the largest appropriation for a cash payment to the farmers that has yet been proposed in an agricultural bill. We also have voted some of the largest appropriations in history for battleships, some of the largest appropriations for the Army and air defense, all of which are proper and appropriate, but we should also look to the inside of this Nation. What good would it do us to protect ourselves from outside aggression, from outside danger, and in the meantime allow ourselves to be undermined from within by a system under which one-third of our people have less than enough to live on?

This proposed appropriation will not pay full parity to the farmer. Parity means that his bushel of wheat or his bale of cotton should buy as much as it did in better years, in the base period 1909-14, when he was in a better position than he is today. But we have not as yet had sufficient courage or enough money to appropriate an adequate sum to pay the farmer full parity for what he produces or what we consume of his commodities in this country. He is suffering, therefore, from an unfair discrimination that exists by virtue of law.

I know there are those who say, "We must stop spending." I subscribe to that view. I should like to stop spending if we could; but sometimes that appears to be false economy. It certainly would be false economy to stop spending at the farmers' expense, to begin our economy with agriculture. The farmer is the great market we of the United States look to. The farmer is the purchaser, and today business would surge forward if the farmer could get parity for his crops.

The farmer's condition is bad. I doubt if we all realize the situation he is in. The trouble is, we ride around in Pullman cars until we get fatty degeneration of the point of view and we forget how the farmer lives.

Many of the Senators here have farms, but sometimes they get so far from them that it is necessary to strain their memories to remember the lean days. Not many farmers have modern plumbing in their homes. Not many farmers have a modern bath tub. They have to take a bath in an old tin tub. They put it on the stove on Saturday night. One side of it gets hot and the other side is cold. I remember that if I leaned against one side of the tub it would blister me and if I leaned over on the other side it would chill me. That is the best equipment that most of the farmers can have today so far as modern plumbing is concerned.

We have air-conditioned offices and an air-conditioned Senate Chamber, but I never heard of even one farmer who had an air-conditioned home. Every now and then somebody throws it up to me, "Well, I know a farmer who is making it all right." Well, I know just one, and he is the tightest tightwad that ever tightened a wad. He is so stingy that he works his crossword puzzles up and down so that he will not have to come across. [Laughter.]

One time I was working for him. It was one of those hot days when the "lazy lawrence" was dancing on the horizon. It was so hot that every time I would lift a wheat bundle on the end of a fork it seemed that I could see ink spots all around. This farmer came out to see how the hired hands were getting along. We had a jug of water and a jug of oil under the same shock of wheat. The farmer got thirsty while he was out there and he reached down under the shock of wheat to get the jug of water to get a drink; but he would not take his eye off the hired hands out there for fear they would miss a lick, I guess. He fumbled around under the shock of wheat, and he got hold of the wrong jug. He got the jug of old black oil. Still watching the hired hands, he brought up his arm, pulled the cob out, and turned up the jug—glug—glug—and got his mouth full of the old black oil; but he would not spit it out—not this fellow—no, sir. He just waited until the binder came around again, and he hailed it and got down under it and oiled the whole machine. [Laughter.]

It is possible that if a farmer was that tight, he might be able to hold on to something; but not many of them have been able to do it, because as a rule the farmer is generous—he is a good spender. This money that we are appropriating to go to him will soon be back in the hands of the merchant, the manufacturer, and the laborer. The farmer will set this money into circulation. When we pass this bill and it becomes law and this money is sent out, do you think it will make that much less money in the United States? Will it make that much less money in the United States because we take some of this money from those most able to pay, and try to bring the farmer's income up to parity, putting it in the hands of those in most need? Certainly not. It will have an equalizing effect.

There is enough wealth in the United States today for every person, every man, woman, and child to have enough to buy the necessities of life, but it is not properly distributed.

A program like this has a leveling effect. There are five spokes to the wheel of profits. First there is the producer of the raw product, the farmer. Next there is labor. Then there is capital. Then there is management. Finally, there is the consumer. There are enough profits, if properly distributed among these five spokes of the wheel of profits, for all to share; but where have the profits gone in the past?

Have the profits gone to the farmer who produces the raw product? Certainly not, because the farmer is bankrupt today.

Have the profits gone to the laborer who toils? Certainly not; because the laborer does not have a week's rations ahead today.

Have the profits gone to capital? Yes; too much of the profits have gone to capital. The high interest rates have placed a greater premium upon capital than upon human energy.

Start \$10,000 out, and start a young man out. Let the \$10,000 gather interest at the rates that prevailed before this administration. Compound that interest. Let the laborer work as a day laborer over a period of 30 years, and come back, and what do you find? You find that the \$10,000 has grown into a fortune. You find the laborer with barely enough to cover his body, and barely enough food to carry him from one day to the next.

We have put too much emphasis on the value of money. Yes; too much of the profits has gone to capital.

What about management? That is where some more of the profits have gone. I believe that a good executive ought to receive a good salary, but certainly not the ridiculously high salaries that have been paid to the directors of corporations, to the managers, to the presidents; high salaries like that which was paid to Mr. Grace, president of the Bethlehem Steel Corporation, running up into the hundreds of thousands of dollars, and then a bonus of a million dollars. There were nine vice presidents, and the lowest paid one received \$54,000 salary, each one receiving also a tremendous bonus, thereby hiding the profits of industry

under the cloak of salaries, at the expense of the stockholders themselves, and certainly at the expense of the farmer who produces the raw products and the laborer whose toil fashions the products into useful commodities.

Finally, there is the consumer. Has the consumer benefited by the low prices of farm commodities? Certainly not. The consumer has always paid all that the traffic would bear.

If this were not a situation that is the result of law, I would be wasting my breath. Only yesterday I heard a Member of this body say, "You cannot legislate prosperity into a country." I disagree with that statement. You can legislate conditions and prosperity will result; but prosperity cannot result when one class, by virtue of legislation, is given year after year a subsidy which amounts to \$450,000,000 in the form of a tariff that goes directly to the manufacturing class, the same as if it were levied as a tax and paid out as a bounty year after year.

The only objection I have to this bill today is that it will be necessary to do it all over again every year. Any farm plan which depends upon appropriations and taxes will collapse when any Congress fails to pass the proper appropriations. The farmer ought to have a program that will operate mechanically, that will operate automatically, just as the program of the tariff operates automatically for the benefit of the manufacturer. Every year we come in here and ask for appropriations for the farmer. Sometimes he gets more than other times; but never has the farmer received enough to bring his income up to parity. But once we have a Congress that fails to pass the appropriation the whole plan collapses. But what about the manufacturer's plan? Does it collapse? Certainly not. It goes on operating automatically. It is invisible to the naked eye, so to speak. It is an automatic plan; a sort of a self-financing one that carries itself.

That is what I should like to see us enact here for the benefit of the farmer—a plan that would work until it was repealed. Then it would take an overt act on the part of Congress to repeal it. It would take an affirmative act on the part of Congress to keep it from working, whereas this plan of "appropriate and tax" takes an overt, affirmative act on the part of Congress every year to make it work.

We could pass legislation at this session of Congress which would do the same thing for the farmer that the tariff does for the manufacturer—in other words, give the farmer a farm tariff.

I never have subscribed to the program of crop control. I never have believed in saying to a man, "You cannot produce all you want to produce." Of course, the reason for crop control was that we wanted to try to give the farmer parity payments on all he produces on a certain number of acres if he complies with the control program. Naturally we could not give him parity payments on all he would produce unless we limited the amount. That, of course, is the purpose of such a program. But that was not a logical program, because it anticipated what we used in this country, in addition to some that we would export.

On the other hand, if we guarantee to the farmer a fair price on what he produces which we consume in this country, then we can release him from control above that amount. Put him on notice that all he produces above that he will sell in the world market at the world market price. That is logical. Every one else in the United States is on an American standard of living, which is a higher standard of living than that of the rest of the world—everyone else, I say, is on an American standard of living except the farmer. The farmer alone is in competition with the pauper labor of the world. When the farmer produces a bushel of wheat or a pound of cotton he is producing it in competition with the coolies, in competition with the peon. He is in competition with the lowest paid labor in the world. Everyone else is on a higher standard of living in the United States. We call it the American standard of living. Why should we not at this session of Congress guarantee the American farmer the American market at an American price? That is logical, that is sane and sensible. Then release him from control above that amount.

Thomas Jefferson once said, "It is not by concentration of power that good government is attained, but by distribution of power. If we are told from Washington when to sow and when to reap, we shall soon want bread." It seems that Jefferson foresaw the present situation when he made that statement.

Release the farmer from control. He is no fool. It is his back that aches when he picks cotton. It is his head that swims when he pitches wheat. He is not going to produce a great surplus to sell below the cost of production if he receives enough to live on from his domestic allotment. Guarantee him the American price for what we consume in this country, and I believe he will voluntarily regulate his own production above that amount.

Today when you eat bread, remember that the wheat which makes up that bread was produced by the farmers and sold at a cost lower than the cost of producing it. I know my colleagues are willing to pay the farmer a fair price. The shirt you have on is made out of cotton that was sold by a farmer who did not get the cost of production for that cotton.

For some years Colonel Westbrook was with the Works Progress Administration. It was his business to figure out the man-hour labor in connection with different commodities, and according to his figures it takes one man-hour of labor to produce one pound of lint cotton. According to that, if we are to follow the spirit and letter of the wage-hour law, we should pass a law guaranteeing the farmer 25 cents for every pound of lint cotton we consume in this country, and then allow him to produce above that all he wants to produce and let him sell it if he wants to or keep it if he wants to, guaranteeing him at least a minimum wage for his labor.

Instead of that, however, we continue to appropriate and hand out to the farmer a partial parity payment each year, then let him lose his farm, and let him move to town and get on the W. P. A. Then we come in and vote appropriations for the W. P. A. to support him in town. I have supported the appropriations and I shall continue to support them, because it is a situation which already exists. But our passing appropriation bills like the one before us is like treating smallpox by putting poultices on the pimple. We are not getting at the source of the thing. If we are to get at the source of it we must pass a domestic allotment bill which will allot to each farmer his share of the domestic market, then guarantee him by law a fair price on that, just as we guarantee the manufacturer protection by the tariff law. Let us give the farmer a tariff.

There are several plans which have been offered for the relief of agriculture. Any one of them would be an improvement over the present one. Each one of these is self-financing.

Take the domestic allotment plan, for example. If a farmer had an allotment of five bales of cotton as his part of the domestic market, the Secretary of Agriculture would issue him five bale tags. It would not be necessary to issue the bale tags to the man himself, but simply announce to him that he would have five bales of cotton on which he would receive the domestic price, and send his bale certificates to a pool, then send him the money for the difference between the domestic price and the world price, without the process of taxation and appropriation through which we are going in connection with the bill before us. Then let the law require that each processor of cotton must purchase one of these bale tags before he could process a bale of cotton for domestic use. The processor then would pay the money into the pool, and the Secretary of Agriculture would pay the money out of the pool to the cotton farmer. Then we would have a self-financing plan which would be comparable to the plan which now is so beneficial to the manufacturing group. It would then be unnecessary for us to appropriate and spend every year for the benefit of the farmer.

Today if the farmers had the American price for the part of their commodity consumed in this country, in my opinion, we could fold up most of the W. P. A. and relief programs

in the agricultural areas of this country. Every farmer needs something. He needs clothes for his family, he needs clothes for himself, he would like some of the delicacies which the food markets offer for sale. Every farm needs barbed-wire fencing, every farm needs metal roofing, every farm needs lumber, harness, machinery, paint; and all of these would be purchased if the farmer had the purchasing power.

I am supporting the pending proposal, and I shall support the highest figure on every amendment that is offered in an effort to equalize the opportunities in this country in order to put the farmer upon economic stilts, to make him economically as tall as the manufacturer.

Mr. President, I desire to say to the Senators on this side of the Chamber that no administration was ever returned to office on 6-cent cotton and 50-cent wheat, and very few Senators were ever returned to office with those prices existing, particularly if they subscribed to the program which resulted in those prices.

Mr. President, Congress can do something about the matter. There are some who would like to have Congress adjourn. I would not mind having Congress adjourn, from one standpoint, but from another standpoint I think we should undertake the enactment of a farm bill which would do something for the farmer. We have a Democratic House of Representatives, we have a Democratic Senate, and we have a Democratic President. We pledged relief to the farmer, and what have we done? We have placed him under a system of compulsory acreage control and every year we vote him partial parity payments like a dole. We vote it out and hand it to him. We have not given him a self-operating and self-financing program, a program which will last and will not fall of its own weight unless it is continually reenacted year after year.

Unless we do something for the man who tills the soil, he soon will lose ownership of the soil. Many of the farmers have already lost their farms. Farm tenancy in the United States today has reached the staggering figure of 42 percent.

Mr. LUCAS. Mr. President—

The PRESIDING OFFICER (Mr. Brown in the chair). Does the Senator from Oklahoma yield to the Senator from Illinois?

Mr. LEE. I yield.

Mr. LUCAS. Did I understand the Senator from Oklahoma to say that through these appropriations we are putting the American farmer on a dole?

Mr. LEE. I say yes; we are putting the farmer on a dole when we give him a program under which it is necessary to appropriate every year, and make him cut his acreage in order to get the money. I do not say it is a dole in the sense that the farmer is receiving charity, but the method of handing it out smacks very much of a dole.

Mr. LUCAS. I want to say to the Senator from Oklahoma, in reply to his answer, that in my humble opinion the American farmer, who at this particular time is cooperating in the program, will fiercely resent the statement made by the Senator from Oklahoma.

Mr. LEE. I should like the Senator from Illinois in his own time to explain what else it is when you raise the money by means of a tax and hand it to him in the form of a check and require him to cut his acreage in order to receive it. I am for the appropriation, and rejoice that we have this opportunity to appropriate this for the benefit of the farmer. But how much better it would be if we just guaranteed the farmer a fair price for the domestically consumed portion of his crops. That would leave him a feeling of independence.

Mr. LUCAS. Mr. President, will the Senator yield for a further question?

Mr. LEE. I yield.

Mr. LUCAS. Does the Senator know how much we pay in benefit payments to the American farmer as compared to the total amount in billions of dollars that the American farmer produces every year?

Mr. LEE. I do not understand the Senator's question.

Mr. LUCAS. Does the Senator from Oklahoma know how much this Government pays to the farmer in benefit pay-

ments and subsidies as compared with the total amount that the farmer raises in billions of dollars through the sweat of his brow and his own toil?

Mr. LEE. I have it in mind in round figures. If the Senator has it on the tip of his tongue, I should be glad to have it from him.

Mr. LUCAS. Does the Senator know that it is about 5 percent, and that 5 percent which he is talking about is what he says is putting the farmer on the dole, if I understand his argument correctly?

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. LEE. I yield.

Mr. JOHNSON of Colorado. I understand that the income of the farmers is somewhere between seven and eight billion dollars annually. Is that correct?

Mr. LEE. That is correct.

Mr. JOHNSON of Colorado. I ask the Senator from Illinois: Is the total income of the farmer seven or eight billion dollars annually?

Mr. LUCAS. Will the Senator from Oklahoma yield to me to answer that question?

Mr. LEE. I yield.

Mr. LUCAS. The total income of the farmers in this country under the Roosevelt administration has increased a hundredfold over what it was in 1932, and last year it was slightly under the year before, but it was close to \$8,000,000,000. What we are appropriating under the pending bill is from 5 to 7 percent of the total amount that the farmer produces in this country through his own sweat and his own toil. If the Senator from Oklahoma can find any reason under those figures for saying to the country that through the appropriation in the pending bill we are putting the farmer on the dole it is more than I can comprehend and understand, and I do not think it will be so regarded by the farmers in this country who are cooperating in this program. Some of the best citizens in my community—yea, the best citizens in American life today on the farm—are cooperating in this program, thereby attempting to get just a small sum by way of an adjustment to give them some purchasing power in line with all other industry in this country.

I admit the program is not perfect. Of course, no program is perfect. The program which the Senator from Oklahoma is talking about now, the domestic-allotment plan, has been considered many, many times in the past, and no Congress has yet ever seen fit to adopt it. The Senator's program may work. I hope the Senator from Oklahoma is correct in his statement, but I think he is on the wrong track in connection with that particular type of farm program; and some of the best leaders of agricultural thought in all America think the same as the senior Senator from Illinois with respect to that proposition.

Mr. JOHNSON of Colorado. Mr. President, the total income of the farmers last year, as the Senator from Illinois has stated, was something less than \$8,000,000,000. About \$1,000,000,000 of that amount came out of the Federal Treasury. I do not see how the Senator figures that the pending appropriation bill which we are considering at the present time, carrying approximately one and a quarter billion dollars, or a little more, is only 5 percent of \$8,000,000,000. I do not understand the mathematical calculations of the Senator from Illinois.

Mr. President, I wish to say further that last year the farmers of this country produced a splendid crop, much better than the average—in fact, it was an excellent crop. It was not a record breaker, but it was a very excellent crop, well balanced. It did not consist of a large crop raised here and a small crop raised some other place, but was a well-balanced crop. In addition to the farmers raising that crop, we had to reach into the Federal Treasury and pay them a dole. I wish to use the words of the Senator from Oklahoma because they are correct. It is a dole. We reached into the Treasury and got out more than a billion dollars to pay the farmers a dole on top of that fine crop they raised. If that does not indicate that there is something wrong with this

program, then I do not know what evidence is required to prove that there is something wrong.

I thank the Senator from Oklahoma for yielding.

Mr. LEE. I thank the Senator from Colorado. I was going to call the attention of the Senator from Illinois to his figures. I am sorry he has temporarily left the Senate Chamber. But his mathematics or mine, one or the other, are very much in error. If the pending bill, calling for over a billion dollars, should be passed, and the American farmers' total income is six or seven billion dollars, it seems to me the amount carried in the bill would be far in excess of the 5 percent referred to by the Senator from Illinois.

The Senator from Illinois also referred to the fact that the farmers cooperated.

Of course they cooperated because they had no alternative. It was "take this or else." And the law said "If you do not cooperate you do not get the loan and you do not get the parity payments." So, of course, they accepted it. I urged them to, because it was all that was offered, and I voted for the program because there was more good in it than bad.

But that did not still my tongue from calling attention to the fact that it was not a solution to the farm problem, and I shall never still my tongue as long as we have a program which does not give the farmer an even break with the manufacturer.

For years the United States Congress has smiled on the factory and frowned on the farmers, and so I say the present farm program is too much on the plan of a dole. How much more dignified it would be for the Congress to guarantee the American farmer the American market at an American price fixed by law.

Certainly the present administration has been kinder to the farmer than any administration that I can remember. This administration has opened up the Treasury, and for the first time that I can remember the farmer received a Treasury check, and it saved him from bankruptcy. I am not complaining about that. I am not blind to that. It has launched a great soil-conservation program. I am not blind to that. I am supporting the pending amendment. I am for it. But I say, with respect to that part of the program which requires compliance, and which says, "If you do not comply with the program, you will not get the loan, you will not get the parity payment," that, of course, they are cooperating. They have no choice. There is no alternative. They either get the checks or starve to death, so they will cooperate. But they do not like it, and I do not like it. In our State of Oklahoma in some of the counties the farmers voted down the cotton quotas. They have not voted on the wheat. The tobacco farmers voted down the tobacco quotas.

I say this is not a satisfactory program; and the man who comes before the Congress and says, "This is a satisfactory solution of the farm problem," is, in my opinion, making a mistake.

Mr. President, I am encouraged to some extent. This is the largest appropriation for the farmer that has been presented to us. I believe it will pass. I believe its effect will be immediately felt in an increased purchasing power. I believe when these green checks begin to reach the forks of the creek, when the farmer gets his green check and comes to town, he will buy from the merchant, the merchant will buy from the factory, and the hitchhikers will get their jobs back, and we will be back on the road to prosperity.

It is my hope that the taste of prosperity that I think will result from this comparatively small amount that we are voting for the benefit of the farmer will cause us to consider seriously a farm plan that will go to the roots of this question, and will be a solution that will continue to operate regardless of whether we appropriate every year or not.

Mr. President, no nation long survives with liberty and happiness when the man who tills the soil is reduced to the status of peonage. It is a wise government which realizes that the first strata of society is the foundation and on that strata all others rest.

It is a wise government that undertakes to rehabilitate the disinherited. It is a wise government that realizes that the man on the farm is closest to nature; that he alone is an individualist. The reason every farmer is out on the farm trying to scratch a living out of the ground today is because he wants to be his own boss. He wants to be independent. I should like to preserve the independence of the farmer in this country. He is about the last individualist left. He is now fighting for his independence.

I am glad the Appropriations Committee has reported a measure calling for such an appropriation. I shall support it. I shall support the highest figure proposed in any amendment. Even then I think we shall fall short of the obligation to the farmer to make up to him for the years of disadvantage which he has suffered. The manufacturing group, at the lowest estimate, has been receiving the benefit of the tariff to the extent of about \$450,000,000 a year. The measure before us is a belated help to the farmer. I am for it. I wish this Congress could at this session take up legislation which would really seek to get to the bottom of the farm problem and provide a solution.

I thank the Senate for its indulgence. Mr. President, the soil-conservation amendment offered by the Senator from Arkansas [Mr. MILLER] is worthy. It is not intended to be a part of the soil-conservation payments. It is for the promotion of soil conservation by the accumulation of information, experiments, and for other purposes. My opinion is that it will return, in the value of fertility preserved, manyfold the amount called for in the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. MILLER].

Mr. GURNEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Danaher	Johnson, Calif.	Radcliffe
Andrews	Davis	Johnson, Colo.	Reed
Ashurst	Donahay	King	Reynolds
Austin	Downey	La Follette	Russell
Bankhead	Ellender	Lee	Schwartz
Barbour	Frazier	Lodge	Schwellenbach
Barkley	George	Logan	Sheppard
Bilbo	Gibson	Lucas	Shipstead
Bone	Gillette	Lundeen	Slattery
Borah	Glass	McKellar	Smathers
Bridges	Green	McNary	Smith
Brown	Guffey	Maloney	Stewart
Bulow	Gurney	Mead	Taft
Burke	Hale	Miller	Thomas, Okla.
Byrd	Harrison	Minton	Thomas, Utah
Byrnes	Hatch	Murray	Tobey
Capper	Hayden	Norris	Townsend
Caraway	Herring	Nye	Tydings
Chavez	Hill	O'Mahoney	Vandenberg
Clark, Idaho	Holman	Overton	Wagner
Clark, Mo.	Holt	Pepper	Walsh
Connally	Hughes	Pittman	Wheeler

The PRESIDING OFFICER. Eighty-eight Senators have answered to their names. A quorum is present.

Mr. RUSSELL. Mr. President, I wish to address myself for a few moments to the amendment offered by the Senator from Arkansas [Mr. MILLER], which is the pending business. The amendment proposes to increase the appropriation for the Soil Conservation Service by approximately \$2,000,000.

I have often expressed the opinion that the greatest of the many achievements of this administration is the fact that it has made the people of the United States conservation-minded. If nothing else had been accomplished in the past 6 years, the fact that farmers, even in the most remote areas as well as those who are affected by the uses and the preservation of all forest and mineral resources, are keenly alive to the importance of conservation of our natural resources would entitle the administration to a prominent place in history.

Mr. President, the committee has not dealt parsimoniously with the Soil Conservation Service, or with any phase of conservation work. Doubtless the \$2,000,000 sought by the amendment of the Senator from Arkansas would be valuable and helpful to some of the soil-conservation districts. How-

ever, I wish to point out to the Senate that in the year 1938 the appropriation for cooperation with the soil-conservation districts was only \$625,000, whereas the present bill carries the sum of \$3,158,988 for that purpose.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. MILLER. I understand that the direct appropriation was \$654,000, but \$2,500,000 was added by transfer of funds. Is not that correct?

Mr. RUSSELL. The total appropriation has not been increased.

Mr. MILLER. I am referring to the district work. Mr. Myer, testifying at page 549 of the hearings, in speaking about the district program, said:

That is where, as a matter of fact, the majority of this \$3,158,988 has come from. We have simply shifted it over from one type of service to another. Two years ago \$584,000 was included in the appropriation for cooperation with the districts. We have shifted over, I would say, something over \$2,500,000 from other projects to carry on the district work today. We have had no increase in total funds but have had some reductions.

I thank the Senator.

Mr. RUSSELL. I understood that the Senator from Arkansas was primarily concerned in obtaining additional funds for cooperation with the soil-conservation districts. I did not know that he was concerned as to the source from which those funds were derived. Nevertheless, the fact remains that the funds available for the specific type of work which the Senator seeks to aid by his amendment have increased to \$2,500,000 in the past 2 years. In addition, the Soil Conservation Service has an item of \$10,286,000 for carrying on demonstrational work in certain areas. In those areas projects have been undertaken to demonstrate to the farmers of the several States just what progress can be made by carrying on soil-conservation practices. More than 8,000,000 acres are embraced in these demonstration areas, and I think I am correct in saying that at least one such area is located in each one of the agricultural States.

In addition to the funds that are appropriated in this item, there are at the present time, or will be on the 1st of July, 392 Civilian Conservation Corps camps engaged, under the direction of the Soil Conservation Service, in soil-conservation work, both in the demonstrational areas and on the soil conservation district projects which have been created by the farmers themselves under the laws of 35 States which authorize the creation of soil-conservation districts. It is estimated that it requires \$1,000 a year to support one boy in a C. C. C. camp. If the total cost of those camps is charged up to the Soil Conservation Service—and I do not think it is unfair so to charge that item—it means that approximately \$80,000,000 that does not appear in this appropriation bill at all but is carried in the independent offices appropriation bill is also being devoted to conservation work on demonstration areas or cooperative projects.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. MILLER. The demonstration areas are merely areas established in the various States and are what their name implies, and they are areas which are largely responsible for the creation of the interest in the district work. Is not that true?

Mr. RUSSELL. That is exactly correct. Of course, a farmer who has been over a demonstration area and has been able to see the type of work that is applied on land that is similar to land on his own farm knows how to go home and combat erosion and depletion of his soil.

Mr. President, in addition to these huge sums spent on soil conservation, there is carried in this bill the sum of \$500,000,000 for payments to farmers for following soil-conservation practices on their farms. Freely do I concede that that item has no direct relation to the scientific work of the Soil Conservation Service; but every person who is familiar with the soil-conservation work that is carried on under the soil-conservation program in the Agricultural Adjustment Administration knows that it has been of incalculable benefit in preserving the fertility of our soil and preventing soil depletion.

I do not think, Mr. President, that this amendment can be wholly justified; I am sure that it cannot be in the amount the Senator from Arkansas suggests. The committee gave careful consideration to it, and, after having considered it from all angles, was of the opinion that the increase of approximately two and a half million dollars for this purpose over the last 2 years was as much as even the most ardent conservationist could reasonably request. I would like to see these funds made available for this important work. The people of my State are greatly interested. But this bill already exceeds the Budget estimates and I think this amendment should be defeated.

Mr. MILLER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Arkansas?

Mr. RUSSELL. I have surrendered the floor, but I will be glad to answer any question I can.

Mr. MILLER. The Senator is always fair, and I realize the necessity under which he is placed to uphold the action of the committee; but, as a matter of fact, the hearings disclose that there are now 146 organized districts in the United States, comprising 78,089,000 acres of land, and that unless this appropriation is increased only 97 of those districts can be operated by the Service. That is correct, is it not?

Mr. RUSSELL. That is the statement that was made to the committee by the officials of the Soil Conservation Service. However, I understood from the general trend of the testimony that if the demonstration areas were completed, as it was expected that some of them would be completed, additional scientific and technical aid that has been engaged in work on the demonstrational areas would be available for the soil-conservation districts.

Mr. MILLER. Yes; there would be a shifting there; that is true.

Mr. RUSSELL. So that the statement of the Senator from Arkansas would not be literally correct as to the number?

Mr. MILLER. No; there might be a shifting as to numbers.

Mr. RUSSELL. That is quite correct.

Mr. NORRIS. Mr. President, may I ask the Senator from Georgia a question?

Mr. RUSSELL. I will gladly answer any question if I can.

Mr. NORRIS. I should like to be advised whether the Bureau would be able to use the additional funds if this amendment were agreed to. Is the Bureau prepared to expand the work sufficiently so that if the money were appropriated there would not be a waste of funds? It seems to me that this work is very valuable indeed, and I would be limited in my idea of the amount appropriated only by the ability of the Bureau to use the money to advantage. If they can do that, I do not see why the amendment of the Senator from Arkansas should not be agreed to.

Mr. RUSSELL. I have never, in my experience as a member of the Appropriations Committee or a subcommittee of that committee, known any amendment providing additional funds to be presented that the bureau affected did not state that they could use the funds. It is my opinion that the Bureau could use the funds, but there are many other items in this bill that are just as important as is the pending amendment. The committee and the Senate cannot afford to vote for every increase in funds that is suggested. In my judgment, as one who is most friendly to this work, the amendment seeking an increase of \$1,900,000 should not be adopted.

Mr. McKELLAR. Mr. President, does the Senator recall that the evidence shows that the Department made a request for a larger sum than the Budget Bureau estimated?

Mr. RUSSELL. I think the evidence discloses that the Department asked for \$5,000,000 for this purpose. I am not clear in my own mind as to whether the request was made by the Soil Conservation Service to the Secretary of Agriculture when the estimates were made up, or whether the Secretary

submitted the request to the Bureau of the Budget, but the head of the Soil Conservation Service, undoubtedly, sought to secure approval of the sum of \$5,000,000 rather than the sum of \$3,100,000 carried in the bill.

THE PRESIDING OFFICER. The question is on the amendment offered by the Senator from Arkansas [Mr. MILLER].

Mr. FRAZIER. Mr. President, the Senator from Illinois yesterday stated, in answer to a question, that only \$300,000 out of the \$500,000,000 appropriated for soil conservation last year was used by the Department. I presume that is correct. I do not know why the full appropriation was not used. Of course, the pending amendment is for a more definite purpose, but, undoubtedly, it would be of use if it were agreed to and the money were appropriated.

It seems to me that more money should be appropriated. I am strongly in favor of a larger appropriation than the committee has put in the bill to carry out the present Agricultural Adjustment Act, for the bill does not even yet provide sufficient money for that purpose.

The Senator from Illinois yesterday stated that he should like to see the Triple A Act given a fair chance before it was repealed. The appropriations carried by the pending bill do not give the Triple A a fair chance according to the Agricultural Department's own figures. It will take at least a billion and a half dollars in benefit payments to pay the difference between the present market price and the Department's so-called parity price. Their parity price is generally conceded to be below cost of production. If the farmer is going to get any profit for his product, the amount in the bill is not yet sufficient to give either the Triple A a fair chance or to give the farmer a fair chance.

Mr. LUCAS. Mr. President, will the Senator yield?

THE PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Illinois?

Mr. FRAZIER. I yield.

Mr. LUCAS. Considering the full amount we are proposing to appropriate, would the Senator say it would put the farmer on a dole and would be a hand-out to him, as the Senator from Oklahoma [Mr. LEE] contends?

Mr. FRAZIER. I am frank to say I cannot see anything else in it but a dole. Anything below the cost of production to the farmer is not a square deal and the farmer will go broke.

Mr. LUCAS. The Senator is complaining, as I understand him, about the small amount we are appropriating by this bill for the farmer. Do I understand him to say because of the small amount we are appropriating that we are putting the farmer on a dole?

Mr. FRAZIER. Unlike the Senator from Illinois, I was not for the Triple A legislation. As a solution of the farm problem it was the best we could get; I have voted for it every time it has come up, and I have voted for the largest appropriations we could get; but I cannot see these benefit payments to the farmer in any other light than as a dole.

Mr. LUCAS. Mr. President, if the Senator will further yield, I should like to ask if the Senator is in favor of larger appropriations, the result would be the higher the appropriations the greater the dole.

Mr. FRAZIER. Absolutely; and I would like to see higher amounts paid, high enough so that the farmer will get a profit on his product. He is entitled to a profit just as much as is the manufacturer entitled to a tariff to protect him and give him a profit on his products. But we know that we cannot get it. In my opinion, it is impossible to get the Congress to appropriate a billion and a half dollars annually to take care of the difference between the present farm prices and cost of production. It is an impossible proposition. When the present Agricultural Act was up before the Senate Agricultural Committee a few months ago, the committee put in the bill a provision authorizing an appropriation large enough to carry out the purposes of the bill, and those who were in favor of doing something for the farmer insisted that that provision go in the bill; but, of course, when the bill went to the conferees, that provision

was stricken out. It was intimated that the President had said that he would veto anything above the amount that the bill had carried as passed by the House. This bill at the present time will be at least \$750,000,000 or \$775,000,000 below a sufficient amount to give the farmers the parity price on the five products that are included in the bill, to say nothing about the rest of the products.

I have here a letter which came this morning from Dayton, Wash. It is written by a lady who says she is a farmer. She says:

I am only one of the many millions on our farms in this great country, but let me tell you from experience that the low price of wheat is exhausting the farmers in body and soul as well as purse. These are terrible days of depression for most farmers. We should have a "cost of production" put on wheat, and a fair margin of profit to live on, as we must all live while we are growing a crop.

Here we pay 13 cents per bushel on wheat to our nearest terminal point, which is Portland, so you can readily see we don't get much for our wheat. Machinery and other necessities are not bought as a result of this low price for wheat. I believe if farmers received a decent price for their wheat, it would definitely help business in general for there is no buying now.

We who have horses work every daylight hour and many hours when there is no daylight. These conditions are making slaves of us.

We keep body and soul together, but that is about all. What for? I often wonder. I can't see any future ahead, only bankrupting days.

I want to tell you about ourselves—it is no different with us than with many other farmers.

Then she goes on. She says:

Only God knows how I have wept and prayed over conditions as they are, until it seems I have no voice left to protest this terrible condition.

She goes on and tells of present prices. Out in North Dakota we are getting 17 cents a pound for butterfat right now, 11 cents a dozen for eggs, and 56 or 57 cents a bushel for wheat. They are bankrupting prices. The Senator from Oklahoma [Mr. LEE] a few minutes ago made the statement that the increased appropriation in this bill will save many farmers from bankruptcy. It may, but there are a great many farmers who are going bankrupt now.

The figures that have been used are that one out of every five farmers in the United States has gone bankrupt, lost his home and his farm, during the past 18 years; and I think that statement is absolutely correct.

I believe that the farmer should have a square deal; and nothing but cost of production is a square deal for our American farmer, especially for the amount used for home consumption in the United States.

The Senator from Oklahoma also said that he wanted to see the farmers independent. I do, too. I should like nothing better than to see our farmers made independent; but they are not independent now. They are about as far in debt as they can get right now, and they are dependent on everybody in sight. That is the present situation of the farmer; and he is not by any means independent. He is anything but independent. Although he produces the food products which feed the Nation, he has nothing to say about the prices he will get. The present Agricultural Adjustment Act simply gives him a dole on five of the products he produces, if he will comply with the program and cut down production. It is the best he can get. The farmers are grabbing at it because it is the only thing that will give them a little better price.

The Secretary of Agriculture, when he came before the Committee on Agriculture on the cost-of-production bill in February of this year, stated that the wheat farmer might expect benefit payments amounting to 28 cents per bushel for the 1939 crop. He also said the loan price on wheat in 1939 would be 58 cents a bushel. That would make a total of 86 cents a bushel that the farmer who complied with the program this year might expect for his wheat. The parity price at that time, in February, was \$1.14 a bushel, as figured by the Department of Agriculture. That is 28 cents more than the 86 cents the farmers are going to get for 1939 wheat. The 86 cents was at that time only 75 percent of the parity price; and the present bill provides that if the farmer gets

75 percent of the parity price he does not need any of this additional payment. Seventy-five percent is all that the Agricultural Department seems to favor. We have hardly been able to get that amount, and of course it is below cost of production; and our farmers will continue to go broke as long as they are getting anything below cost of production, I do not care what it is. If it costs us say \$1.50 to produce a bushel of wheat and get a little profit on it, if we sell it for anything below that amount our wheat farmers are going broke. The cotton farmers will go broke, too, on anything less than cost of production for their product, especially for the amount used for home consumption.

I believe a bill can be worked out that will take care of the situation; but until it can be worked out I am for these appropriations. The higher they will go, up to the total of a billion and a half, which will give the farmers at least the parity price, the better, in my opinion, because it will give them that much more benefit payments.

So I am strongly in favor of the amendment of the Senator from Arkansas [Mr. MILLER], as well as the committee provisions that were put in the bill yesterday for higher amounts, because I think the farmers are entitled to them.

Mr. LUCAS. Mr. President, a short time ago the distinguished Senator from Oklahoma [Mr. LEE] was discussing the farm program in general, incidental to the amendment offered by the Senator from Arkansas [Mr. MILLER], and he made a statement which caused me to engage in a short debate with him upon a certain phase of the farm program.

One of the great troubles with a farm program of this kind is that so many persons have a notion that the farmer who is cooperating is receiving the benefit of the total amount that is appropriated or will be appropriated in this bill. They have an idea that the farmer is getting the greatest portion of this sum through benefit payments and through checks which come to him from time to time; and from the remarks of the Senator from Oklahoma [Mr. LEE], which were agreed to by the Senator from North Dakota [Mr. FRAZIER], it seems that this small amount, in comparison with the total amount of the income of the farmer, is the basis for their assertion that we are putting the American farmer on the dole. Notwithstanding the fact that the Senator from North Dakota says we are putting the farmer on the dole, and he does not like that situation, yet the Senator would increase the appropriation to a billion and a half dollars to give the farmer parity payments. So if the farmer is on a dole now, he would be on a superdole then. Mr. President, I deny this implication. Any amount he receives will only add to his dollar more purchasing power, to which he is justly entitled under the unbalanced economic laws of this Nation.

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. FRAZIER. If the farmer should get what I want to give him, he would at least get what the Department of Agriculture calls parity; and the provision in the pending bill at the present time will give him only 75 percent of parity, at best.

Mr. LUCAS. That does not change the statement of the Senator from North Dakota. Even though the farmer got parity payments—and no one would like to see the farmer get parity payments any better than would the Senator from Illinois—yet, notwithstanding that, following to a logical conclusion the statements of the Senator from North Dakota and the Senator from Oklahoma, the farmer would, under this appropriation, be on a dole.

Mr. FRAZIER. Mr. President, if the Senator will yield again, I shall try to explain the matter a little bit further.

Mr. LUCAS. I wish the Senator would do so, because I think his statement needs an explanation.

Mr. FRAZIER. According to my definition of a dole, anything that is a direct appropriation from the United States Treasury for the farmer is a dole; or, if it is a direct appropriation for labor, it is a dole. That is my definition of a dole. If I am not correct, that is all right; but that is my definition.

Mr. LUCAS. I am very sorry that I cannot agree with the able Senator from North Dakota on the definition of a dole as he has defined it here to the Senate and to the country. It

is not my notion as to what a dole is, and I do not think very many Senators will agree with him upon that definition. My understanding of a Government dole has always been such sums of money given by the Government directly to individuals who have no employment and depend entirely upon these sums to sustain themselves.

But I rose, Mr. President, primarily for the purpose of saying to the Senate that in this large appropriation bill at the present time we find millions upon millions of dollars appropriated which never reach the farmer's pocket. For instance, in running through the bill I find an appropriation for forest-fire control, an appropriation for Japanese beetle control, an appropriation for fruit insects, an appropriation for the Mexican fruitfly, an appropriation for citrus canker eradication, an appropriation for gypsy and brown-tail moth control, an appropriation for Dutch elm disease eradication, an appropriation for thurberia beetle control, an appropriation for cotton insects, an appropriation for foreign parasites, and an appropriation of \$191,000,000 for the Bureau of Public Roads, none of which have a single thing to do with benefit payments to the farmer. Forestry gets \$21,000,000, the Biological Survey \$4,600,000, and the Bureau of Plant Industry \$4,000,000. So we could go on down through the appropriation bill and find millions upon millions of dollars of which the farmer will never receive a single dime in benefit payments, or in any other way, unless he gets it indirectly.

My only reason for taking the time of the Senate is to discuss this matter in the light of the arguments made by the two Senators to whom I referred a moment ago. I now submit facts and figures which cannot be challenged. In 1933 the farmer in this country had a cash income upon all of the commodities produced of \$5,117,000,000, which included the benefit payments he received through appropriations of the Congress. The total payments, figured as a percentage of the cash income from the farm marketings, was 3.3 percent. In other words, what the farmer got out of benefit payments, in comparison with the total income that year, was 3.3 percent.

In 1934 the total income of the farmer was a little over \$6,000,000,000, and he received in comparison with that income, so far as benefit payments were concerned, 9.6 percent. In 1935 the farmer received nine-tenths percent in benefit payments. In 1936 he received 3.8 percent in benefit payments.

In 1937, with a total income of the farmer of a little over \$8,000,000,000, the actual money he received through the checks, which it is said are going to put him on the dole, was the small sum of 4.5 percent.

In 1938 the total income of the farmer at \$7,150,000,000, which was almost a billion dollars less than it was in 1937, how much do my colleagues suppose the farmer received out of the \$500,000,000 we appropriated for soil-conservation payments, and out of the \$212,000,000 we appropriated last year for adjustment payments, under what was known as the parity payment amendment to the legislation at that time? The farmer actually received out of the appropriation of \$500,000,000 and \$212,000,000, which made \$712,000,000, the sum of \$482,000,000, or about 6.6 percent of the total farm income in this country that year.

In other words, out of every \$100 last year the farmer received as income, \$93.40 was produced by his own labor and \$6.60 came from the Federal Government.

Mr. President, I put these figures into the RECORD for the primary purpose of refuting the argument that these benefit payments are for the purpose of putting the American farmer on the dole.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Arkansas [Mr. MILLER].

Mr. RUSSELL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll. The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Barbour	Bulow	Chavez
Andrews	Barkley	Burke	Clark, Idaho
Ashurst	Bilbo	Byrd	Connally
Austin	Borah	Byrnes	Danaher
Bankhead	Brown	Capper	Davis

Donahey	Johnson, Colo.	Minton	Sheppard
Frazier	King	Murray	Slattery
George	La Follette	Norris	Smathers
Gerry	Lee	Nye	Smith
Green	Lodge	O'Mahoney	Stewart
Guffey	Logan	Overton	Taft
Gurney	Lucas	Pepper	Thomas, Okla.
Hale	Lundeen	Pittman	Tobey
Hayden	McKellar	Radcliffe	Townsend
Hill	McNary	Reynolds	Tydings
Holman	Maloney	Russell	Vandenberg
Holt	Mead	Schwartz	Wagner
Hughes	Miller	Schwellenbach	

The PRESIDING OFFICER. Seventy-one Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment proposed by the Senator from Arkansas [Mr. MILLER], on page 92, line 21.

Mr. RUSSELL. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. McNARY (when his name was called). On this vote I have a pair with the senior Senator from Mississippi [Mr. HARRISON]. Not knowing how he would vote on the question, I withhold my vote. If at liberty to vote, I should vote "nay."

Mr. AUSTIN. I desire to announce the following general pairs:

The Senator from Minnesota [Mr. SHIPSTEAD] with the Senator from Virginia [Mr. GLASS];

The Senator from Vermont [Mr. GIBSON] with the Senator from New Mexico [Mr. HATCH];

The Senator from Maine [Mr. WHITE] with the Senator from Missouri [Mr. CLARK]; and

The Senator from New Hampshire [Mr. BRIDGES] with the Senator from Utah [Mr. THOMAS].

I am not advised how the Senators named would vote on the pending question.

Mr. MINTON. I announce that the Senator from Indiana [Mr. VAN NUYS] is detained from the Senate because of illness.

The Senator from North Carolina [Mr. BAILEY], the Senator from Iowa [Mr. HERRING], the Senator from West Virginia [Mr. NEELY], and the Senator from Missouri [Mr. TRUMAN] are absent on important public business.

The Senator from Washington [Mr. BONE], the Senator from Louisiana [Mr. ELLENDER], the Senator from Utah [Mr. THOMAS], the Senator from Massachusetts [Mr. WALSH], and the Senator from Montana [Mr. WHEELER] are detained in important committee meetings.

The Senator from Nevada [Mr. McCARRAN] is absent on official business for the Committee on the Judiciary.

The Senator from Arkansas [Mrs. CARAWAY] and the Senator from Virginia [Mr. GLASS] are unavoidably detained.

The Senator from Missouri [Mr. CLARK], the Senator from California [Mr. DOWNEY], the Senator from Iowa [Mr. GILLETTE], the Senator from Mississippi [Mr. HARRISON], and the Senator from New Mexico [Mr. HATCH] are detained on business in various Government departments.

The result was announced—yeas 31, nays 39, as follows:

YEAS—31

Andrews	Frazier	Lundeen	Schwartz
Barkley	George	McKellar	Schwellenbach
Bilbo	Hill	Müller	Sheppard
Borah	Hughes	Murray	Smathers
Bulow	Johnson, Colo.	Norris	Smith
Capper	La Follette	Pepper	Stewart
Clark, Idaho	Lee	Pittman	Wagner
Connally	Logan	Reynolds	

NAYS—39

Adams	Danaher	Holt	Radcliffe
Ashurst	Davis	King	Russell
Austin	Donahey	Lodge	Slattery
Bankhead	Gerry	Lucas	Taft
Barbour	Green	Maloney	Thomas, Okla.
Brown	Guffey	Mead	Tobey
Burke	Gurney	Minton	Townsend
Byrd	Hale	Nye	Tydings
Byrnes	Hayden	O'Mahoney	Vandenberg
Chavez	Holman	Overton	

NOT VOTING—26

Bailey	Gibson	McCarran	Van Nuys
Bone	Gillette	McNary	Walsh
Bridges	Glass	Neely	Wheeler
Caraway	Harrison	Reed	White
Clark, Mo.	Hatch	Shipstead	Wiley
Downey	Herring	Thomas, Utah	
Ellender	Johnson, Calif.	Truman	

So Mr. MILLER's amendment was rejected.

LOUISIANA NATIONAL BANK AND HIBERNIA BANK & TRUST CO.

The PRESIDING OFFICER (Mr. BROWN in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 1515) for the relief of the Louisiana National Bank, of Baton Rouge, and the Hibernia Bank & Trust Co., of New Orleans, which was, on page 1, line 11, to strike out all after "Provided", down to and including "\$1,000", in line 11 of page 2, and to insert—

That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

Mr. OVERTON. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

AGRICULTURAL DEPARTMENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 5269) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1940, and for other purposes.

Mr. CLARK of Idaho. Mr. President, I send to the desk an amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 47, line 20, it is proposed to strike out "\$139,152" and to insert in lieu thereof "\$199,152."

Mr. CLARK of Idaho. Mr. President, on page 47 of the bill now under consideration, under the appropriations made for the Forest Service, we find, beginning at line 14, the following brief paragraph entitled "Forest Influences":

Forest influences: For investigations and experiments at forest experiment stations or elsewhere for determining and demonstrating the influence of natural vegetative cover characteristic of forest, range, or other wild land on water conservation, flood control, stream-flow regulation, erosion, climate, and maintenance of soil productivity, and for developing preventive and control measures therefor, \$139,152.

The effect of the amendment I have proposed would be to increase the appropriation by \$60,000. I may say that the Secretary of Agriculture requested an additional \$60,000 for this work. The request, however, was declined by the Bureau of the Budget, and in turn was declined by the House committee. I appeared before the Senate committee in support of the increase. I wish to take this opportunity to thank the able Senator who was chairman of the Senate Subcommittee on Appropriations, which held hearings on this bill, as well as the entire committee, for the very courteous and fair hearing I received both in connection with this and with other items.

The matter is of vital importance to the West. It involves entirely experimental and research work and proposes an increase in the appropriation of only \$60,000, which, I am perfectly certain from my conferences with representatives of the Forest Service and from the testimony given before the committee, is vitally needed. So, despite the courteous treatment I received before the committee, I desire briefly to explain the amendment to the Senate in the hope that the Senate may see fit to increase the amount carried in this item for the entire western section of the country by \$60,000.

The \$139,000 which the bill carries is now being distributed over the entire country in studies being made of watersheds and the headwaters of various streams with a view to preventing floods and erosion conditions resulting in floods. It can be appreciated that \$139,000 for such a purpose does not

go very far. Experiments are being conducted in the Great Lakes region, in the South, and in the Eastern States. Of the entire appropriation of \$139,000, only \$14,000 is presently available to the intermountain region, and very little in excess of that amount is available to the entire region west of the Rocky Mountains.

Most of our land is irrigated, and in recent years the sudden, rapid floods which come down our mountain streams, due to an early run-off of the melting snows, have been increasing year by year to such an extent that they have become a tremendous threat, and have cost the State of Idaho many million dollars a year, not to mention the cost to adjoining Western States. This flood condition, which has grown worse in recent years, is due to three causes: First, the misuse of the range lands which lie at the headwaters of the streams. That condition is improving, but the damage has already been done. Second, forest fires, which have burned over and destroyed the vegetation at the headwaters of the streams, permitting the snows to melt and run rapidly down into the valleys below. Third, the natural erosion which has been taking place at the headwaters of the various mountain streams.

A few years ago the President allocated money from emergency funds to the Forest Service for the study of ways to prevent disastrous spring floods at the headwaters of these streams due to freshets and quick run-off. Four experiment stations were built from emergency funds, one in Idaho, one in Utah, one in Arizona, and I believe one in California. The \$139,000 included in the bill as presently drafted will not further maintain those stations. As I have heretofore explained, it goes for the regular routine work of investigations all over the United States. If those stations are to be maintained, the additional \$60,000 is absolutely required, as appears from the testimony before the subcommittee.

The Forest Service has made remarkable strides in its research to date, enabling it to revegetate lands at the headwaters of the streams which have been burned over by forest fires, which have been overgrazed by sheep, and which the forces of erosion have stripped bare. Experiments are now being conducted at the experiment stations to ascertain, first, the proper kind of plant cover, the kind of revegetation best adapted to the use to which it is to be put, and secondly, to work out a system of supplemental engineering structures to hold in check the early melting snows, and consequently bring about a smoother, even flow of water throughout the year.

Mr. President, in my section of the country, when a flood occurs not only do we suffer the damage which the flood occasions, but the water is gone, for the floodwaters flow over the dam and go on to the ocean. Unless we have a reasonably steady run-off we not only suffer the property damage from the flood itself, but we likewise lose the water, which is our life blood. If the \$60,000 is not provided, every one of the forest research stations built from emergency funds, which stations are doing almost incalculably valuable work, will have to close down. I respectfully suggest to the Senate that to deny a small sum to protect hundreds of millions of dollars' worth of property in the future is really false economy.

I know the work which these stations have done; I know the progress they have made; and I hesitate to see the stations, which were built from emergency funds, practically shut down and their very valuable work discontinued.

I have nothing further to say. I know the committee considered the matter. I presume the committee will have to oppose the proposed increase in the appropriation; but, in all sincerity, I suggest to the Senate that it is a vitally needed item for the entire West, which today is receiving only an insignificant part of the \$139,000 which the bill carries, and which it carried last year.

Mr. RUSSELL. Mr. President, this item was first considered by the House committee and rejected. I understand it was submitted to the Budget and disapproved. The Senate

committee, while recognizing that there is much merit to the contention of the Senator from Idaho, has also rejected it.

The forest influence investigation, to which the amendment is directed, has for a great number of years received emergency funds from the Works Progress Administration. At least it has received such funds ever since the Works Progress Administration was instituted. In 1938 this investigation received an allocation of \$85,840 from emergency funds. In 1939 it received an allocation of \$57,200. We all know that in due course another appropriation will be made for carrying on the activities of the Works Progress Administration for the coming fiscal year, and undoubtedly an allocation will also be made from that appropriation for this purpose.

Mr. CLARK of Idaho. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. CLARK of Idaho. I am advised—I do not know whether or not it appeared in the hearings—that the emergency funds will no longer be available. I do not know what the hearings show upon that question, but the Forest Service officials advise me definitely to that effect.

Mr. RUSSELL. I do not know how the Forest Service officials could tell this far in advance what will be done with an appropriation which has not yet been enacted by the Congress. In every emergency appropriation act to date the Congress has specifically earmarked a large sum of money for Federal activities. I anticipate that a similar course will be followed in the next emergency appropriation bill for the W. P. A.

In addition, Mr. President, other activities in the Department of Agriculture are carrying on similar work. In the Soil Conservation Service, which was established in 1935, a large unit has been established for carrying on practically the same type of work to determine the influence of forests on stream flow, the effect of forests on climate, investigations of the principles involved in soil and moisture conservation and methods for their practical application, and watershed investigations of the effect of land-use practices on run-off as related to the methods of control of erosion and floods. The total amount used by the Soil Conservation Service, the new agency for carrying on practically identical investigations, is \$1,641,000. I suggest that the \$1,641,000, when added to the \$139,000 in the item which the Senator from Idaho seeks to amend, is as much as the Congress can possibly justify for investigations of this type.

Mr. President, every Member of this body has research stations of one kind or another in his State for which he would like to secure additional appropriations. However, it occurs to me that there must be an end somewhere to the matter of obtaining emergency funds, building an experiment station, and then coming to the Congress and asking for supplemental funds for maintenance from year to year. Otherwise we are merely starting a snowball which, as it rolls on from year to year, will accumulate so much in the way of expenditures that it will constitute a drain on the Treasury which the public credit will not be able to sustain. It would be very pleasing to me to be able to support the amendment offered by the Senator from Idaho [Mr. CLARK]; but the committee went into the matter rather fully, and we could not see that it was as well justified as many other important items of appropriation in which other Senators are interested and which we rejected. I hope the Senate will reject the amendment now pending.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Idaho [Mr. CLARK].

The amendment was rejected.

Mr. GUFFEY. Mr. President, I move to reconsider the vote by which the committee amendment on page 47, line 13, striking out "\$121,295" and inserting in lieu thereof "\$131,295" was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Pennsylvania. Does the Senator care to address himself to the motion to reconsider?

Mr. GUFFEY. That is the first question.

The PRESIDING OFFICER. Without objection, the motion to reconsider is agreed to.

Mr. GUFFEY. I send to the desk an amendment to the committee amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 47, line 13, in the committee amendment, it is proposed to strike out "\$131,295" and insert in lieu thereof "\$149,295."

The PRESIDING OFFICER. The question now is on agreeing to the amendment offered by the Senator from Pennsylvania to the committee amendment.

Mr. GUFFEY. Mr. President, northeastern Pennsylvania, and more particularly the anthracite region, comprising approximately 12 counties and 50,000 square miles, is beset with problems of forestation for the purposes of fire protection, soil-erosion control, silvicultural management in the forests, forest pathological studies, tree diseases, wildlife management, and reforestation of denuded areas. In order to determine the full nature and extent of the needs, the Department of Agriculture suggests a preliminary survey at an estimated cost of \$18,000. My amendment proposes an increase in the appropriation, the increase to be used by the Allegheny Research Station of the Department of Agriculture in making the necessary survey. I move the adoption of the amendment to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Pennsylvania to the amendment reported by the committee. [Putting the question.] In the opinion of the Chair, the ayes have it, and the amendment to the committee amendment is agreed to.

The committee amendment as amended was agreed to.

Mr. BANKHEAD. Mr. President, I call up the amendment which has heretofore been presented by me and which has been printed.

The PRESIDING OFFICER. The amendment proposed by the Senator from Alabama will be stated.

The CHIEF CLERK. At the end of that part of the bill relating to "Disposal of surplus commodities" it is proposed to insert the following:

So much of such funds as may be devoted to encouraging the exportation of cotton or cotton articles, and any other funds which may be available or may hereafter be made available for the purpose of encouraging the exportation of cotton or cotton articles, shall be expended in accordance with the provisions of the following new section which is hereby added to the Agricultural Adjustment Act of 1933, as amended:

"SEC. 23. (a) The Secretary of Agriculture is authorized to make payments in kind or in money to any person who exports any raw cotton or articles manufactured in whole or in part from cotton, at such rates and under such terms and conditions as the Secretary of Agriculture determines are necessary in order that the cotton, or the cotton content in cotton articles, so exported, shall be fully competitive in the world markets: *Provided*, That such payments shall be discontinued during any marketing year when exports of cotton from the United States during such marketing year equal the average of the exports from the United States during the 10-year period ending July 31, 1932. Such payments on raw cotton are authorized to be made only upon cotton bought in the open market, except that payments may be made upon cotton released from loans made or made available by the Commodity Credit Corporation when cotton of suitable classes and quantities to fill cotton export requirements is not available in the markets of the United States. The Secretary is authorized to decide when such free cotton is not so available; but no such payments shall be made, and no obligation to make such payments shall be incurred, prior to January 1, 1940, with respect to any cotton on which a loan has been made or made available by the Commodity Credit Corporation, nor shall such payments be made or obligations incurred during the period from August 1 to December 31, both inclusive, in any marketing year with respect to any cotton on which any such loan has been made.

"(b) Notwithstanding any other provision of law, the Commodity Credit Corporation is authorized and directed, under regulations prescribed by the Secretary of Agriculture, upon application by the owner, or his assignee, of cotton held under loans made or made available by the Commodity Credit Corporation to provide for the release to such owner, or his assignee, of any or all of the cotton of such owner, or assignee, during any marketing year, except during the period from August 1 to December 31, both inclusive, if the Secretary of Agriculture finds that the release of cotton held under such loans (1) is needed to supply suitable classes and quantities of cotton to meet the operating requirements of mills in the United States and is not available in the markets of the United States, or

(2) is needed to supply suitable classes and quantities of cotton to meet export requirements and is not available in the markets of the United States. Such cotton shall be released at a cost to the owner, or his assignee, equal to the current loan rate, plus (1) interest, insurance, and storage, for the period beginning at the average time when cotton was put into the current loan and ending at the end of the month when the cotton is released from the loan, and (2) one-fourth cent per pound for miscellaneous charges.

"(c) The Commodity Credit Corporation is authorized and directed under regulations prescribed by the Secretary of Agriculture to acquire and to make available to him such cotton as may be necessary to make payments in kind authorized by this section. The funds now and hereafter made available to the Commodity Credit Corporation are hereby made available to such Corporation to acquire and make available to the Secretary of Agriculture such cotton as may be necessary to make the payments in kind authorized under this section, and to provide for the release of cotton under this section. The funds now or hereafter made available to the Secretary of Agriculture for the purpose of encouraging the exportation of cotton or cotton articles, by, or for carrying out the purposes of section 32, as amended, of the act entitled 'An act to amend the Agricultural Adjustment Act, and for other purposes,' approved August 24, 1935, as amended, are hereby made available to the Secretary of Agriculture for payments authorized in this section, and for administrative expenses in accordance with the applicable provisions of this title. The determinations of the Secretary of Agriculture made pursuant to the provisions of this section and the facts constituting the basis for any payment when officially determined in conformity with the regulations prescribed by the Secretary of Agriculture shall be final and conclusive."

In order further to safeguard the expenditure of the funds appropriated in this item and any other funds which may be available or may hereafter be made available for the purpose of encouraging the exportation of cotton or cotton articles and for all other purposes, section 22 of the Agricultural Adjustment Act (of 1933), as amended, is hereby amended by inserting the words "or are likely to be" after the word "being" in subsection (a), by striking out the expression "July 1, 1928, to June 30, 1933" and inserting in lieu thereof the expression "January 1, 1929, to December 31, 1933" in subsection (b), and by striking out the words "15 days after the date of" and inserting in lieu thereof the words "the date fixed in" in subsection (c).

Mr. BANKHEAD. Mr. President, I think there is a very general misunderstanding as to the purpose of this amendment and certainly there is a misapprehension on the part of some in this Chamber and of some in the Cotton Belt. A great many people seem to have the idea that this amendment proposes to set up a cotton subsidy export program. I wish to call the attention of those who may be interested to the facts of the situation.

For a long time the agricultural laws have authorized the payment of export subsidies on agricultural commodities. Such a provision was contained in section 32, a part of what is known as the amendment to the Agricultural Adjustment Act passed in 1935. There is under that section an express authorization for the payment of funds appropriated by the Congress in carrying out export programs affecting agricultural commodities. That authorization, as is well known, was put into application in the matter of exporting wheat. More than 100,000,000 bushels of an exceedingly heavy surplus of wheat were exported, induced and encouraged by the payment of an export subsidy. That was done under the then existing law.

Section 12 of the present Agricultural Adjustment Act of 1938 contains another authorization for the payment of export subsidies in the judgment of the Secretary of Agriculture when he deems it for the best interest of the producers.

So, Mr. President, these two laws, one passed in 1935 and the other passed in 1938, provide the subsidy plan. They not only provide the subsidy plan but the law of 1935, section 32, expressly made—not authorized, but expressly made—appropriations amounting to 30 percent of the receipts derived from tariff duties for the purpose of carrying out, in part, that provision of the law. So, we are not proposing any new plan. We are not trying to establish in the law a principle that is not already established. The only thing needed for an export program for either wheat or cotton is the money with which to finance it; and section 32 provides the money by mandatory statute, as far as that money may go.

The situation here is based upon a request for additional funds to be added to the section 32 funds; and the Senate has granted that request. Practically by a unanimous vote the Senate adopted the amendment which adds \$113,000,000

to the amount of money heretofore appropriated under section 32. So the question now arises, with the original appropriations, which now amount to about \$90,000,000, and with the new appropriation of about \$113,000,000, what amount may be used for the exportation of cotton. Without any law, without any amendment, what amount may be used in the wide-open judgment of the Secretary of Agriculture?

If this amendment is not adopted, assuming the passage of this bill with the \$113,000,000 retained in it, the amount available for cotton will be approximately \$50,000,000. Under the authorization contained in the two sections, and with the money available under each of the sections, the Secretary of Agriculture is untrammelled, is entirely free to carry out an export plan under rules and regulations adopted by him, without any further amendment or authorization of Congress.

Recognizing that fact, Mr. President, the amendment offered here is not, as I have stated, for the purpose of creating the right to pay subsidies in exporting cotton, but it is in large measure for the purpose of laying down certain important rules and regulations for the administration of that power.

In the first place, this plan when first announced by the Secretary and approved by the President of the United States contemplated the exportation of cotton under the cotton loan. Everybody who has given any thought to this situation has become alarmed and disturbed over the large quantity of cotton that now rests in warehouses under the lien of the Government loan. No doubt that appalling situation was the inspiration for the suggestion by the administration to put into operation an export plan for cotton, as it did last year for wheat, and carried it out successfully. But that original program, as I said, contemplated the exportation of cotton under the loan.

I was unwilling to accept that program, as many other Senators from the Cotton Belt were unwilling to do, regardless of our views upon the fundamental question of the wisdom or good policy of engaging at any time and under any conditions in an export subsidy program. Regardless of that, a number of Senators were unwilling to go forward with a program to export loan cotton; and the reason for it was that if, as the Department of Agriculture believes can be done, we should export in excess of 6,000,000 bales of cotton and take it out of the loan, the question would arise, Where would the farmer sell his crop that is coming on the market, beginning in August, of approximately 12,000,000 bales under normal yield conditions?

If, through the export plan, the foreign markets had received all of the cotton they would buy from the United States, and if they had taken all of that cotton out of the loan, as they could do without this amendment, then I desire to know what would become of the 12,000,000-bale crop to be brought to the market beginning in August? The foreign market would be satisfied. There would be a domestic market for around 6,000,000 or 6,500,000 bales, and a supply of 12,000,000 bales from the new crop, plus whatever carry-over might exist of free cotton from the old crop. Inevitably a program of that sort would drive down the domestic price of cotton. That would mean that the farmer would do one of two things: He would get less return, a smaller income from the sale of his crop; or he would put it under the cotton loan, the very thing that all of us are trying to avoid.

If the plan were worked out in such a way as to create a large supply in excess of the domestic requirements, and with the world's foreign markets already satisfied, it is evident that, of course, large quantities of the new crop would go back into the loan.

So the method I have described is exactly reversed under this amendment. Instead of first exporting cotton under the loan, the amendment reverses the procedure and requires that cotton to be exported must be bought in a free market; that it must be bought from farmers as they bring the cotton to market, beginning in August, and that the loan cotton must be kept sealed up until next January. Assuming an export foreign market for 6,000,000 bales, and assuming it to be sup-

plied from the free market, there would be only around 6,000,000 bales, or a little more, to supply the domestic market of six and a half to seven million bales of consumption. That tight situation in the cotton market would of necessity hold the domestic price of cotton around the point that is required to draw cotton out from the loan. A farmer has the right to have his cotton under the loan released at any time by paying the loan and the carrying charges. The crop of 1938, just put under the loan, cost around 9 cents a pound. So as soon as cotton is needed for domestic consumption, under this amendment the Secretary has power to call upon the Commodity Credit Corporation for the release of that cotton on the application of the owners.

Mr. ADAMS. Mr. President, will the Senator allow me to make an inquiry?

Mr. BANKHEAD. Certainly.

Mr. ADAMS. Probably what I have in mind has been explained. My inquiry is on the point the Senator is discussing, as to the release of cotton to the owner at a cost equal to the current loan rate. If the Senator has already explained that matter, I will not ask him to repeat the explanation.

Mr. BANKHEAD. I have not done so. The current loan rate means the one now prevailing. There are some old loans. There is one old loan which was made away back in 1934.

Mr. ADAMS. The phrase means the amount that could be borrowed on cotton today?

Mr. BANKHEAD. That is correct; the amount necessary to retire the loan or release it.

Mr. RUSSELL. Mr. President, in order to complete the record, I suggest to the Senator from Alabama that he state what that amount would be today.

Mr. BANKHEAD. It would be nine and eleven-one hundredths cents. That amount would be necessary to withdraw the cotton from the loan. So if there is a tight situation in the spot market, with no surplus to depress the price, and with the loan plan standing wide open for the cotton farmers next fall—a mandatory loan under the law—then it becomes self-evident that the domestic cotton mills will pay a price sufficient to prevent the cotton of the new crop going back into the loan, because they have to have that cotton.

There will not be an excessive increase in price. The present price of spot cotton, the average price, is 8.90 cents—approximately 9 cents—so that the necessity of the local cotton mills paying possibly a dollar a bale more should not weigh against this program, when consideration is given to the tremendous advantages to accrue from the administration of this export plan.

We have a horrible statistical situation in regard to cotton. I assume it is worse than in regard to any other agricultural commodity. A carry-over of nearly 14,000,000 bales will be on hand on August 1—the largest in all the history of the United States.

We have a constantly decreasing export market. Some years ago the export average was seven and one-half million bales. This year the exports will amount to scarcely 4,000,000 bales; indeed, it is thought that the total exports, when the end of the marketing year arrives, will not amount to 4,000,000 bales—a reduction in exports of cotton of three and one-half million bales.

What are we to do about it? This is not solely a cotton farmer's problem; this is not solely a southern situation. A great crop such as cotton, upon which the economy of 10 or 12 States is primarily based, is not solely a local problem.

I have heretofore pointed out—and I take the opportunity to do it again—that from the time the ports of entry in the United States were established, 150 years ago, the balance of trade, the net increase in national wealth of the United States during its entire fiscal history, was made up, to the extent of more than 90 percent, of cotton, raw cotton, and cotton textiles. If there had been no cotton, we would have traded in vain during all these years, so far as increasing our national wealth through foreign commerce was concerned.

I have mentioned heretofore the tremendous value to the industries of America of cotton farmers having a parity income, the value to the agricultural population of the West, because, year after year, we have bought from that section thousands of carloads of agricultural products, such as hay, hogs, meat, and lard.

As Senators all know, the South is not an industrial section, it is an agricultural area. One can enter the largest department store in the largest city in the South and go from the cellar to the dome and he will find but very few articles for sale that were produced within the Cotton Belt. It is astonishing how few local products of industry are used to supply the needs and comforts and requirements of all the people residing in the Southern States.

What does that mean? It means that the sole source of income of the cotton farmer is of tremendous importance to industry throughout the country. It means that every day throughout the year every mail carries remittances from the Cotton Belt to pay for the products of industries located in the industrial sections of this country. Likewise every mail carries checks to pay insurance premiums of all kinds, to pay interest on mortgages on the security of which money has been loaned by the great financial institutions of the East; to pay the dividends upon securities of railroads, electric companies, and other utilities in the South the stocks and bonds of which are all owned in the East.

When we had a parity income, cotton brought, for 17 years, on an average \$1,400,000,000 to the South. Sixty percent of that great sum of money came from foreigners across the seas. But it did not remain in the South. As soon as it reached there it started to flow back to the industrial and financial centers of America.

Mr. President, I am pointing out these facts so as to emphasize the thought that our problem in the South is national in its scope. For many years during the period when we had parity income the railroads running into the South—the Illinois Central, the Frisco, the L. & N., the Seaboard, the Southern—could not get sufficient equipment to haul to the South the products of industry which merchants in the South were ordering to sell to their southern consumers. Consider the situation now. With the unhappy reduction in the income of our people because of the lesser amount of money received from our great basic cash crop, thousands of railroad employees are off the trains and off the rolls because income of the southern people has been so greatly reduced that they cannot buy as they did prior to 1930.

Mr. President, we have to find markets. We have lost much of our cotton market in the dictator nations. Germany and Japan have been two of our three greatest buyers of cotton during a long period of years. Now we have lost a market for a million bales in Japan, a market for a million bales in Germany, and a market for a million bales this year in Great Britain. We have lost practically all our former exports to Italy.

What can we do about it? The southern people have not been responsible for conditions which brought about the loss in foreign sales of their great cash crop. But we have lost three sales, and we have lost them in part because, we are told, other countries are selling cotton at lower prices than that for which we are selling. We have lost them and continue to lose them because former customers are now engaged in bartering with other nations to get their cotton, while we stand here upon a normal trade relationship with the nations of the world, a relationship which ought to exist and which I hope some day to see return. But while we are following the old trade program, trading in the open market, relying upon the quotations for cotton on the cotton exchanges at Liverpool, Alexandria, and Bombay, we are told that other countries are cutting prices and are engaged in cutthroat competition. They are offering their cotton, the Department tells us, at a little lower price than the market price put upon the exchange boards throughout the world, by which our people abide. They are

not only doing that but foreign countries are increasing their acreage devoted to cotton production.

The Secretary of Agriculture and the President of the United States believed in the submission of this program, thinking it would be helpful from many standpoints; that it would give notice to the world that we would no longer acquiesce in trade conditions relating to cotton which are steadily putting us out of the markets of the world; that it would give notice to foreign countries that they need not proceed with their plans of increasing acreage planted to cotton because, forsooth, it would not sell so high, it would not be so profitable to them as it has been in recent years in competition with American cotton.

Mr. President, there are many reasons for a trial of this program, the chief one of which is the emergency under which we are laboring. The program, as I have stated, is not in accordance with the method of administration supported originally by Secretary Wallace, but after it was submitted to him, and after he and his assistants had carefully considered it, they reached the conclusion that it was a better program than the one they announced, and they are actively supporting it. There may be some exceptions, but most of the Senators from the cotton-producing States are in favor of the program.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. CONNALLY. The Senator mentioned the falling off in our export trade in cotton. Is it not true that one reason why the export trade in cotton has fallen off is the price at which our cotton is held in loans?

Mr. BANKHEAD. That is an argument, as I suggested just now, which the Department insists is correct.

Mr. CONNALLY. If we have the cotton, and foreign buyers want it, but we are not selling it to them, the price or the sales terms certainly have some effect on the matter.

Mr. BANKHEAD. It seems so.

Mr. CONNALLY. Under present conditions, if a European buyer of cotton can buy foreign cotton, he will buy it, will he not? That is, if it suits his needs he will buy the foreign cotton, if it is cheaper than ours?

Mr. BANKHEAD. He is buying the foreign cotton; there is no doubt about that.

Mr. CONNALLY. If we are to sell him any cotton must we not offer him some sort of a plan such as that now under consideration, or some sort of inducement, so as to make it desirable for him to buy American cotton?

Mr. BANKHEAD. I have reluctantly come to that belief.

Mr. GEORGE. Why not sell it at the market price?

Mr. BANKHEAD. Is the Senator in favor of repealing the law?

Mr. GEORGE. I am in favor of repealing parts of it; yes, sir.

Mr. BANKHEAD. The loan plan?

Mr. GEORGE. Yes; if we have to do that to avoid the accumulation of cotton and to prevent the creation of a two-price system here.

Mr. BANKHEAD. The Senator has fought several vigorous battles shoulder to shoulder with me to get the loan and to get as high a loan as possible.

Mr. GEORGE. Exactly. I have done that because when we circumscribe the farmer and restrict him so that he can produce only a limited quantity of cotton, the Government does owe him the obligation to see that his crop brings a livable price. But by this time we ought to be able to see what the loan is doing with respect to the cotton problem as a whole.

Mr. BANKHEAD. I am not in accord with my dear friend on that subject. I always value his good judgment; I know he is sincere; but it seems to me that such basic agricultural commodities as cotton, wheat, and corn should be dealt with upon the same basis of protection against collapse in price. I think the loans have been of tremendous value to wheat, cotton, and corn producers, and I am not in favor of repealing any of the loan laws. Of course, that is not the subject which is now involved.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. BARKLEY. Of course, we have provided in all of the agricultural bills for a loan feature, and we have also contributed in the way of benefit payments, recognizing, as the Senator from Georgia has said, the obligation of the Government to compensate the farmer in some way for the reduction in his production. But all of that has been done in order to help the farmer and to increase the price of his product because of the reduction in the quantity.

If there had been no reduction in acreage and in the production of any of these crops during the period in which the laws have been in effect, and the farmers had no inducement to reduce, and had produced to the fullest of their capacity, the chances are that prices would have been much lower than they have been. Not only would the market prices have been lower, but none of the benefits which have accrued by reason of the carrying out of the farm program would have resulted.

It is undoubtedly true that an unfortunately large amount of cotton has been accumulated because of the loans. It probably would have been sold at some price if it had not been for the loan feature. That price might have been much below the cost of production—much below what the cotton actually brought. No one can tell what the result would have been if something else had happened which did not happen. But we know that we have about eleven and one-half million bales of cotton now impounded under loans, and under the law as it now is that cotton cannot be sold below the loan figure placed upon it, plus the carrying charges up to date, which is what makes the price above the market price, as I understand. Is that correct?

Mr. BANKHEAD. It is difficult to know what the market price is. We sell at one price, and Brazil sells at another price in the Liverpool market.

Mr. BARKLEY. I am speaking of the American market price. The American market price is lower than the loan on the cotton and the carrying charges, as I understand, on the average.

Mr. BANKHEAD. Very little at this time. As I stated a moment ago, the loan and carrying charges now, under the statement of the Commodity Credit Corporation, would be 9.11 cents. The average price just a day or so ago at the 10 spot markets for cotton was 8.90 cents. So there is only 20 points difference there, or a dollar a bale, between the market price and the amount necessary to withdraw cotton from the loan.

Mr. BARKLEY. The whole cotton situation is extremely complicated, and it is difficult for the ordinary layman to understand the economics of it. I do not know whether expert cotton men understand it. A few days ago I asked one of the ablest cotton men in the United States, if not in the world, who is opposed to the export subsidy—

Mr. BANKHEAD. Has he had any foreign interest?

Mr. BARKLEY. I do not know. He may have. I asked him how we are ever to start to sell the cotton now being held, and he confessed he did not know. I think he was perfectly honest about it. He said he did not know, and I certainly do not. However, I am anxious to do something that will start the cotton moving. If we could just skip 1 year of raising cotton altogether, and use what we have accumulated to meet the demands for American cotton, we could solve the problem in that way; but we have no power to prevent the cotton growers from planting it, and I know of no inducement which we can hold out that is sufficiently attractive to induce them not to plant. In the absence of anything of that sort, how are we going to get this cotton off our hands? What are we going to do with it?

Mr. BANKHEAD. That is what all of us want to ascertain. We are groping. Here is a plan proposed which may have some beneficial results. We have the money provided, and a certain amount of it is available for application to cotton under the law. The administration proposes to use that money, which is already appropriated in this way, in the belief that it will cause an increase in our exports.

Mr. BARKLEY. I appreciate that. In yesterday's mail at my home I received a special-delivery communication from an organization in Stoneville, Miss., in which were set forth a good many reasons why this export subsidy plan should not be adopted. Among other things, it was suggested that it would bring on a sort of trade war between our country and other cotton-producing countries, and that they would say to us, "If you are going to sell the cotton you have under the loan below the market price, we will start in and cut prices," and that there would be chaos in the world markets with respect to cotton. What is the Senator's reaction to that suggestion?

Mr. BANKHEAD. We did the same with wheat.

Mr. BARKLEY. I am not defending the pamphlet. I am simply asking the Senator what he thinks about what it stated.

Mr. BANKHEAD. I am answering it with a concrete case. I just stated that the administration last year exported wheat on a subsidy plan, which averaged about 21 to 22 cents a bushel for 100,000,000 bushels. It offered it in the foreign markets and sold it. No one made any complaint that that unsettled or disturbed the general wheat market.

Mr. BARKLEY. I do not know the amount of wheat involved in that transaction by comparison with the amount of cotton that might be involved, and whether it was sufficient to have any appreciable effect upon the wheat market. The Senator probably has looked into that matter. It might depend somewhat on the proportion of the commodity unsold and hanging over the market, and perhaps it would also depend upon the supply that is available in other countries.

Mr. BANKHEAD. I assume the letter the Senator referred to was written by Mr. Oscar Johnston?

Mr. BARKLEY. It was not signed by him.

Mr. BANKHEAD. I know his views on the question.

Mr. BARKLEY. It is signed by four or five gentlemen who are members of the organization.

Mr. BANKHEAD. Mr. Johnston sends out material dealing with cotton. The name of his company is the Delta Pineland Co. When I say it was written by him I do not mean to speak in derogation of him. He is a very able man, one of the ablest men I know. But he has had those views on this particular subject for many years.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. RUSSELL. The Senator referred to the fact that there was a difference of only about 20 points between the loan price and the market price.

Mr. BANKHEAD. No; I said that the farmer would draw the cotton out at the amount of the loan plus the carrying charges. The market price is now above the loan price. The loan price is 8.30 cents and the market price 8.90 cents.

Mr. RUSSELL. Does not the Senator from Alabama think the rate of loan that is fixed has a very great effect on the market price?

Mr. BANKHEAD. Oh, yes; I think it does; just as it does with respect to corn. I think everyone will admit that a high loan figure for corn, much higher than wheat or cotton, has held the general price for corn higher than it would have been but for that loan figure. I have heard from leading corn representatives that that is true.

Mr. RUSSELL. So far as competition for European markets is concerned, we have put the world on notice as to just what the American market would be, and all that was necessary for foreign competitors to do to capture markets which had belonged to the American producer was to reduce their price slightly under the loan price that was fixed in this country.

Mr. BANKHEAD. That is what the cotton traders report—the very fellows who do not want any export program. They say they cannot now sell cotton, and that they have been losing sales because foreign cotton, principally Brazilian cotton owned in large measure by American interests, is offered and sold slightly below the price of American cotton.

Mr. BARKLEY. Will the Senator permit me to give him the name of the organization to which I referred? It is the

Delta Council, Stoneville, Miss. The letter is signed by John Petty, president; W. T. Winn, chairman of the executive committee; and Howard Stovall, chairman, Federal program and foreign trade section, committee on agriculture. I do not know any of those gentlemen.

Mr. BANKHEAD. As I stated in the beginning of my remarks, the question is not whether or not we are to have subsidized cotton. There is general confusion on that subject, and from the statement of the majority leader I see that he is confused. We shall have subsidized cotton exports whether or not we adopt this amendment. It was announced by the administration, by the Secretary of Agriculture, and by the President of the United States that they favored a subsidized export cotton program, and the Secretary of Agriculture came before the committee advocating an increase in the appropriation under section 32. The committee has allowed that increase. So under the general law doubtlessly cotton will be exported this year just as it was last year. So the question now is whether we shall follow the general program and export under the judgment and discretion of the Secretary, or whether we shall adopt the plan now proposed fixing certain protective provisions for the protection of the domestic cotton price and the loan cotton plan.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. MILLER. In connection with the Senator's statement that we would have an export cotton subsidy under the present law I find in section 32 this language, which does not quite agree with the statement made by the Senator.

Mr. BANKHEAD. I know to what the Senator is referring. He will find that the provision to which he refers has been repealed.

Mr. MILLER. That is what I was asking about. When was it repealed?

Mr. BANKHEAD. In the Agricultural Act of 1938, the last provision, with respect to raw cotton. I was responsible for the original provision. The Senator from Texas [Mr. CONNALLY] and Representative MARVIN JONES always opposed it. It was taken out.

Mr. MILLER. Why was the provision which prevented the use of section 32 funds in connection with the subsidized exportation of cotton originally put in the act?

Mr. BANKHEAD. Frankly, I will say to the Senator, that I am responsible for it. At that time more normal trade relations existed throughout the world. I thought that if we had any export business for cotton we ought to do it on cotton textiles, so I had that provision added.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. CONNALLY. I will say to the Senator from Arkansas that, as I recall, section 32 as originally adopted was offered on the floor of the Senate by myself.

Mr. BANKHEAD. Yes.

Mr. CONNALLY. The purpose of it originally was to take part of the money received from tariffs and say to the farmer, "You do not receive any benefit from the tariff. You pay increased rates on everything you consume, but you do not receive any benefit. We are going to take part of the tariff money and give it back to you as a subsidy or bounty to aid you in exporting your cotton abroad, where you have to sell it in a world free market." So the language to which the Senator refers was not originally in the amendment. I think it was added later by the Senator from Alabama.

Mr. BANKHEAD. I had it added in conference.

Mr. MILLER. I am in hearty accord with the intent of section 32. It was a bona fide effort on the part of Congress to divert the tariff for the benefit of the farmer. I am heartily in favor of that kind of operation if it can be provided. However, we have the provision in the original law, and now we are seeking to do exactly the reverse of what we said we wanted to do. That is the question I was raising.

Mr. BANKHEAD. I understand what has confused the Senator. The situation, concretely, is this: Congress has twice provided for the export of agricultural commodities on a subsidy basis. In the original act raw cotton was the only

thing excepted. Then in 1938 a farm bill, which had more careful consideration than any bill with which I have ever been associated or have observed since I have been a Member of the Senate, was on the floor of the Senate for 4 long weeks, under debate and scrutiny, section by section. It was before the conference committee for 4 long weeks. The conferees worked morning and evening, all day, earnestly, faithfully, and conscientiously going over the programs of the two Houses, and carefully considering every section put into the new law. In the 1938 act, which had all that careful consideration, and in which the subsidy for exports was reiterated and again written into the law, the provision against paying export subsidies on raw cotton was deliberately repealed. In that act we have the judgment of Congress on the question and the action by Congress. After being in the law from 1935 to 1938, the exception against paying subsidies on export cotton was removed from the law in a most carefully considered general agricultural program.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. CONNALLY. As I understand the Senator, he takes the position that under the general law, section 32, the President and the Secretary of Agriculture, without any further action by Congress, may use these funds to pay subsidies on export cotton?

Mr. BANKHEAD. Just as they have been doing on wheat. There is no doubt about it. Nobody disputes it.

Mr. CONNALLY. What the Senator proposes to do is to limit that authority, and try to preserve the price for the present crop by making the export subsidy apply only to the new crop rather than to the loan cotton. Is that the situation?

Mr. BANKHEAD. That is correct. That is the crux of the whole situation.

Mr. CONNALLY. I thought so.

Mr. BANKHEAD. The basis of the countersuggestion was that instead of taking loan cotton, as they have the power to do if the farmers withdraw it, the exporters should be required to go into the open market. When that suggestion was carefully and fully considered, it was agreed that it was a better plan than the original one; and I was asked to present the matter to the Congress.

Mr. CONNALLY. Let me ask the Senator one other question. Suppose under the present loan the Government should acquire title to the loan cotton. It would then become Government property. Under section 32, could the Secretary of Agriculture and the President then use the funds to export that cotton, and take a loss if necessary?

Mr. BANKHEAD. I do not know of any reason why they could not do so after the 1st of July. They could not take over the cotton until the 1st of July.

Mr. CONNALLY. I understand; but when they took it over they could do as I have indicated?

Mr. BANKHEAD. Yes. The Senator from South Carolina [Mr. SMITH], who is familiar with the problem, introduced a bill relating to it this year. The farmers may withdraw the cotton when it reaches a certain point.

Mr. CONNALLY. But if they do not withdraw it, the title goes to the Government.

Mr. BANKHEAD. Not only is that true, but the loan of 1934 is past due, and the cotton may be taken over at any time by the Commodity Credit Corporation. The maturity of the loans on the 1937 and 1938 crops has been extended until the first of August; but the crop of 1934 is subject to capture by the Government at any time.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. DANAHER. Awhile ago I understood the Senator to say that the crop this year would reach approximately 12,000,000 bales.

Mr. BANKHEAD. That is the normal yield.

Mr. DANAHER. About how much of that crop will find a market in this country?

Mr. BANKHEAD. Judging by the experience of this year and last year, I should say, in round figures, 6,000,000 bales, or perhaps a little more than that this year. Last year the fig-

ure was 5,600,000 bales, but the consumption in this country has increased over that of the preceding year.

Mr. DANAHER. If the same system of loans as in the past were to be offered to the farmers, rather than the proposed plan, can the Senator tell me about how much it would cost?

Mr. BANKHEAD. I do not quite understand the Senator's question.

Mr. DANAHER. To put it in another way, as I recall, there was some testimony before the committee of which the Senator is a member to the effect that there is now approximately \$550,000,000 in loans outstanding against loan cotton.

Mr. BANKHEAD. That is correct.

Mr. DANAHER. About how much more in additional loans would be offered to the cotton growers for this year's crop?

Mr. BANKHEAD. I repeat that I have tried to impress the view that under the plan contained in the amendment no more cotton will go into the loan, because if through a subsidy we take half of this year's crop out of the market and ship it abroad, we shall have such a demand for this year's crop for domestic consumption that instead of the cotton going into the loan the price will go slightly above the loan value, as we all think, and the mills will be bidding for it. That will keep the cotton from going into the loan.

I will say to the Senator that the primary purpose of the amendment is to hold the domestic price of cotton around the loan level, so that no more will go into the loan.

Mr. DANAHER. I thank the Senator. In view of that answer, if the plan proposed by the Senator were not adopted, how much would be offered in loans?

Mr. BANKHEAD. That is purely speculative.

Mr. DANAHER. Can the Senator give me an estimate?

Mr. BANKHEAD. No; I cannot. I will say to the Senator that since the amendment was offered, the price of cotton has gone up \$2 a bale, or from 40 to 50 points, on the theory that if the amendment is agreed to, or if there is a prospect of its being agreed to, the cotton situation will be tight. As I stated a while ago, the price is now up to within a dollar a bale of the price necessary to get it out of the loan. Of course if we exported the loan cotton, and left the whole 12,000,000 bales to be sold on a market having a demand of only 6,000,000 bales, we should probably have 4- or 5-cent cotton.

Mr. DANAHER. I thank the Senator.

Mr. BANKHEAD. A large quantity—probably all of it—would naturally go into the loan until the price again rose.

Mr. President, I am not going to take any further time about this matter. It has been under very careful consideration for some weeks not only by the Department of Agriculture but evidently by the President, by the cotton States, and by Senators. We have talked about a cotton program. We have presented from time to time cotton programs. I frankly think the plan offered by the senior Senator from South Carolina [Mr. SMITH] the best program that has been presented. I should be glad to work for that program, but we decided, as I think everyone else decided, that there was no chance to have it passed by the House.

Mr. BARKLEY. Mr. President, may I ask the Senator a question about his amendment?

Mr. BANKHEAD. Certainly.

Mr. BARKLEY. As I understand the amendment, it does not apply to any cotton that is now held by the Government until after January 1 next?

Mr. BANKHEAD. That is correct; that is intended to prevent competition with the farmers' crops this year.

Mr. BARKLEY. And between the months of August and December in any other year it will not apply to any cotton that is held under loan?

Mr. BANKHEAD. That is correct; that is, during the marketing season.

Mr. BARKLEY. So that during the months from August to December, which constitute the cotton marketing season, preference is given to what we call free cotton in the granting of this subsidy. Then, after that, if the world demand has not been supplied, the Commodity Credit Corporation,

under rules provided by the Secretary of Agriculture, may release cotton then held under loan.

Mr. BANKHEAD. That is correct.

Mr. BARKLEY. But only on the payment of the cotton loan rate, that is, the current, that is the original rate plus interest charges—

Mr. BANKHEAD. Plus carrying charges.

Mr. BARKLEY. Plus carrying charges, and plus one-quarter of a cent in addition for miscellaneous expenses.

Mr. BANKHEAD. That is to protect the interests of the Government in the loan.

Mr. BARKLEY. Of course that would mean that if the market price were below all these charges the farmer would get the difference by having his cotton returned to him by the payment of that amount. For instance, if the loan that is already on the cotton amounted to 10 cents, I will say, and the current loan value of the cotton at that time plus the charges was 9 cents, the farmer would get his cotton back at 9 cents a pound, thereby gaining 1 cent. Is that correct?

Mr. BANKHEAD. Yes.

Mr. BARKLEY. Suppose the amount outstanding already plus the charges amounted to 10 cents, but the current rate of the loan in the course of a year, we will say, plus the same charges, was only 9 cents.

Mr. BANKHEAD. He would get it at what it cost the Government and any profit would be his. I am sure nobody can object to that.

Mr. BARKLEY. He would not get it at what it cost the Government; he would get it at the amount of the current loan rate, which might be less.

Mr. BANKHEAD. It might be, but there is not much prospect for a good long time, for the loans are at the minimum permitted by law.

Mr. BARKLEY. If the market price of cotton should go up so that its value would be greater than the current price, say, next year, plus these charges, the farmer, of course, would have a greater incentive to withdraw his cotton and pay all the charges so that he might obtain whatever profit would accrue to him by selling at the higher market price?

Mr. BANKHEAD. Broadly speaking, yes. Of course, the farmer could take his cotton at any time when he could get a little profit on it. He has no hope of getting any as matters now stand.

Mr. MALONEY. Mr. President, I should like to ask the Senator a question. Can the Senator tell me whether under this plan there would be much difference between the domestic sale price of cotton and the sale price of cotton abroad?

Mr. BANKHEAD. Yes; the subsidy would reduce the price of American cotton abroad. That is the object of the subsidy.

Mr. MALONEY. Has the Senator given much thought to what effect that would have on domestic textile manufacturers?

Mr. BANKHEAD. Yes. While the textile manufacturers export only 1 percent of the total production of America, this bill provides that they shall have a compensating subsidy on their exports to equalize conditions as the result of the subsidy on raw cotton sold abroad. The manufacturers are protected under the provisions of the bill.

Mr. MALONEY. Has the Senator given any thought to the effect the adoption of the proposal might have on the importation of textile products?

Mr. BANKHEAD. I am happy the Senator asked me that question. That is one of the reasons I am very frankly for this amendment. It is one of the important reasons why the administration cannot get along without this amendment and fully protect the textile industry of this country. The Senator will note the last paragraph in the amendment which amends section 22 of the Agricultural Adjustment Act of 1933, as amended.

Mr. MALONEY. That is what I did not understand.

Mr. BANKHEAD. It amends section 22, which is the section authorizing the President, after investigation by the

Tariff Commission, whenever any agricultural commodity is coming into the country in excessive quantities to establish quotas. This amendment is intended to provide and does provide that it is not necessary to wait until the exports are coming in, but action can be taken immediately. Now it is necessary to wait, under the language of the section. The amendment proposes to change that section so that when the President has cause to believe that exports will start to come into the country he can take action.

Mr. MALONEY. How does that differ from existing law? Is not that the situation now?

Mr. BANKHEAD. No; under the existing law the only basis for action is that imports are now coming in, presently coming in in excessive quantities. So, if we do not change the law, cotton goods could be shipped here and would be shipped here before action could be taken. The pending amendment, as will be noted, changes that and removes the necessity for waiting until the flow has started and is coming into this country and gives the power to anticipate such importations.

Mr. MALONEY. May I ask the Senator whether or not anyone has talked with him about or if he has given any thought to the possible conflict with reciprocal-trade agreements?

Mr. BANKHEAD. The only thing I know about that is that the administration has publicly announced support of this program, and it would not do so if the program were in conflict with the trade-agreement program, for we all know how loyally the President has stood by Secretary Hull in that program. So it is quite evident that that phase of the matter has been given careful consideration.

Mr. MALONEY. I should like to ask the Senator one more question, because he is conversant with the subject and I am not. Has he given any thought to the possible consequences on the American textile workers or allied workers in this connection?

Mr. BANKHEAD. In what respect?

Mr. MALONEY. In connection with the importation of cheaper foreign goods.

Mr. BANKHEAD. We are not going to import them.

Mr. MALONEY. The Senator feels that that feature is properly covered by the amendment?

Mr. BANKHEAD. Certainly. The administration in connection with the chairman and general counsel of the Tariff Commission drafted the amendment, and if it was not drafted to accomplish that, then, they did not know how to draft it. That is all I can say to the Senator.

Mr. MALONEY. I thank the Senator.

Mr. BANKHEAD. I do not see how what the Senator suggests can happen. The administration of the law, if it shall become a law, will be in the hands of experts.

Mr. BARKLEY. Mr. President, will the Senator yield for another question? I dislike to intrude on him, but I am seeking information.

Mr. BANKHEAD. Certainly, I yield.

Mr. BARKLEY. The amendment provides, among other things, that when the farmer is to be paid in cotton, instead of in cash, for his export subsidy, the Commodity Credit Corporation is authorized to use any funds available to it for the purchase of cotton for that purpose. Does that contemplate purchasing cotton outside the cotton they already hold, or could they use, or would they be authorized to use, a part of the cotton they already hold in payment to a farmer in kind?

Mr. BANKHEAD. They would use the cotton that they now hold. We do not expect it to amount to anything, because it is generally believed that the cash basis will be used and that the alternative will not be invoked; but it was thought advisable to give that latitude anyway.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. HATCH. When I first rose the Senator had been discussing, or had mentioned, the bill introduced by the senior Senator from South Carolina [Mr. SMITH]. The Senator from Alabama had expressed his own favorable views of that

bill, and said that he preferred that measure over the one now pending which he is sponsoring. I agree with the Senator in his expression of preference for the Smith bill. Is there anything in the pending amendment that will prevent the consideration of the Smith bill?

Mr. BANKHEAD. No; except that the pending measure is an appropriation bill. We knew we could not pass the Smith measure through the House, and we did not want to hold up the agricultural program and break it down.

Mr. HATCH. I presume the Senator's amendment, if adopted, then, would not preclude the adoption of the so-called Smith bill?

Mr. BANKHEAD. No; it would not.

Mr. HATCH. Would it preclude action on it by either the Senate or the House?

Mr. BANKHEAD. No; it would have no effect on it at all. It deals with foreign subjects; the pending proposal deals with domestic subjects for the farmer.

Mr. HATCH. Then, according to the Senator's view, there is no reason why the pending amendment should not be adopted and also the Smith bill passed?

Mr. BANKHEAD. That is so; there is no conflict between the two at all.

Mr. HATCH. I wish to say to the Senator that I am quite in accord with what he says about the Smith bill. I hope the Senator from South Carolina will not abandon it, but will urge action on his bill, regardless of what action is taken on the pending proposal. I hope the Smith bill will pass the Senate, that it will pass the House, and will be approved by the President. If that shall happen, I venture the opinion that no action will be necessary under the pending amendment.

Mr. BANKHEAD. I am in full accord with the statement made by the Senator from New Mexico. I have actively supported the bill of the Senator from South Carolina every time he has introduced it—that phase of it—and I should like very much to see it passed.

Mr. ADAMS. Mr. President, will the Senator yield to me?

Mr. BANKHEAD. Certainly.

Mr. ADAMS. Will the Senator allow me to get from him a little clearer idea than I have as to the phrase "fully competitive in the world markets?" That is, the Secretary of Agriculture is authorized to make payments in order that the cotton shall be "fully competitive in the world markets."

Mr. BANKHEAD. There are two reasons for the use of that language. One is to avoid having it appear that this is a dumping program. It makes this program consistent with the trade-treaty program. It is simply competing; it is not dumping. The reason why it is necessary to make cotton fully competitive is the statement heretofore made on the floor by me and other Senators that the loan price is said to be—I do not know whether or not it is true—a fixation that enables the foreign producers of cotton to bid slightly under it, and therefore fill the markets with their cotton, when American owners of cotton cannot do that because their farmers will not sell cotton at that price; so it creates a real price-competitive situation.

Mr. ADAMS. But if the purpose of the Senator's amendment is to be accomplished, American cotton will have to be put on the market at a lower rate than foreign cotton. That is, if it is really competitive at exactly the same market price, you may or may not sell your cotton.

Mr. BANKHEAD. Let me say to the Senator from Colorado that this is the situation:

American grade and staple has an established place in the cotton trade of the world. It is superior to most cotton and ordinarily brings a higher price. Until recent years it always brought a higher price than any cotton except the long-staple Egyptian cotton because of its superior quality, grade, staple, and fiber. Cotton is not a new thing in the world outside the United States. It has been produced in 57 countries of the world. For 50 long years foreign countries have been in a race to increase their cotton production. Foreign production has gone up at an average rate of 150,000 bales a year for 46 long years. With that going on the cotton mills

of the world, which have heretofore used American cotton and had their machinery equipped to use our staple and our grade, preferred, as the senior Senator from South Carolina [Mr. SMITH] has often said, the warp and woof of American cotton. So over long periods, with free competition in world cotton, America exported around an average of seven and a half million bales annually.

Now, it is said that the loan price fixation gives foreign competitors an opportunity to bid just below that price, and from time to time our cotton exporters have complained that we did not have a truly competitive situation in the foreign market. A flexibility, a latitude, is given to the Secretary under the formula of creating a competitive situation under which prices can be made which will put American cotton back in its former position of favoritism, with comparable prices established abroad.

Mr. ADAMS. Then the idea is to make the price here such that American cotton can successfully meet foreign competition?

Mr. BANKHEAD. That is the idea; and I do not think it has to be done by underbidding.

Mr. ADAMS. But it will amount to underbidding when quality and other things are considered.

Mr. BANKHEAD. Yes; it will be a better bargain, so to speak.

Mr. ADAMS. It means underbidding when quality is considered.

Mr. BANKHEAD. That is correct, because it is a better bargain, just as Colorado sugar is a little better than Puerto Rican sugar.

Mr. ADAMS. I appreciate the Senator's comprehension.

Mr. SMITH. Mr. President, will the Senator from Alabama allow me to interrupt him?

Mr. BANKHEAD. Surely.

Mr. SMITH. I have sat here and listened to this discussion. It may be that I shall have to leave the city, because of conditions over which I have no control.

Mr. BANKHEAD. I will yield the floor now, if the Senator wishes to take it.

Mr. SMITH. Very well.

Mr. GEORGE. Mr. President, before the discussion goes any further, I make the point of order that the pending amendment is clearly legislation on a general appropriation bill. I do not think the point will be controverted, because notice of a motion to suspend the rule has already been given by the proponent of the amendment; but if there is any question of doubt in the mind of the Chair, and any disposition upon the part of the proponent of the amendment to resist the point of order, I should like to know it.

The PRESIDING OFFICER (Mr. LEE in the chair). The Chair sustains the point of order.

Mr. BANKHEAD. Mr. President, I anticipated that ruling, and I have no counter argument to present. I now move to suspend the rule, under the notice previously given.

Mr. GEORGE. Mr. President, as I understand, that is a debatable question.

The PRESIDING OFFICER. It is a debatable question.

Mr. GEORGE. If the Senator from South Carolina [Mr. SMITH] wishes to proceed this afternoon, he may do so.

Mr. SMITH. Mr. President, I do not know of any commodity produced on the farm or elsewhere about which there is such crass ignorance as there is about cotton. Even the Senators from the cotton-producing States are about as ignorant regarding cotton and its marketing as are those who never have seen a stalk of cotton.

I have listened to misstatements on this subject—honestly made, but made from pure ignorance of the subject. It is very discouraging when one who has had a lifetime of experience with cotton hears certain statements made which are absolutely without any foundation whatever.

I have heard a good deal said about the competitive price of cotton. Every man who has any knowledge of cotton and the cotton market knows that the present situation has grown out of two unfortunate conditions. One was the un-

expected and tremendous crop made in 1937, when we had reduced our acreage from 40,000,000 acres plus to 30,000,000 acres plus; and instead of our making about 14,000,000 bales, according to the average production per acre over a period of 10 years, we made 19,000,000 bales. Of course, the result was disastrous to the price of cotton.

A loan was asked for and granted, disappointing to those who had cotton, ranging from 8.3 cents a pound, according to grade and staple, to something like 7 cents and some points. The cotton went under the loan; and under the terms of the law by reason of which it went under the loan nobody knew what was going to be the policy of the Government in disposing of it. It can be seen from the legislation that is now proposed that the trade is demoralized; and no sensible man is going to buy cotton or invest in cotton when he does not know what is going to be the policy of the Government, which has a lien on eleven and a half million bales.

How did the trade know whether we were going to dump 2,000,000 bales on the market, or whether we were going to open the floodgates and sell the whole amount? Consequently, representatives of the spinners of Europe came to my office and said, "It is not so much a question of price; it is a question of knowing what you are going to do with the cotton." What are we going to do with it?

Now it is said that we want to meet the competition in price. That is exactly what we have been doing for all these years, and I want the opportunity now to do it. How are we going to do it? By going into the un-American, absurd, ridiculous plan of offering cotton to foreigners at from \$10 to \$15 a bale less than the price at which we are offering it to our own people?

Let us analyze that a moment. I make the assertion, as a man experienced in the marketing and growing of cotton, that if the Senate were to decide today that it would sell at the world price 100,000 bales of the loan cotton a month, beginning now, without regard to the current crop which has come in, cotton would rise a cent a pound.

Talk about us competing with foreign cotton, when even now, with the absurd reduction in acreage, and regimenting everything and everybody, with our reduced acreage and the so-called foreign production, we are making 46 percent of all the cotton of the world. It has been stated here on the floor that our exports have dropped to 50 percent of those of the year preceding. That is true, and why? Anyone who will go to the Department of Commerce and get Mr. Zimmerman's bulletin on the supply and distribution of cotton will find that the amount of American cotton consumed abroad for the same period in which it has been stated that our exports have dropped 50 percent is practically the same amount consumed the preceding 6 months.

Mr. BILBO. American cotton?

Mr. SMITH. American cotton. Why is that? It is because they did not know what we were going to do with our present supply of cotton. A man says, "I cannot buy American cotton now because I do not know what policy they are going to have in reference to the disposal of what they have on hand. I do not know whether they are going to dump tremendously, or whether they are going to withhold. I am just going to sell at the market, and consume my stock." And the foreigners have consumed the foreign stock of American cotton to the same extent that they previously consumed American cotton. Now they are practically out of cotton, and it is proposed to say to them, "Very well, we will just dump this cotton on you to the tune of about 2 cents a pound or 3 cents a pound," according to the splendid judgment of Mr. Wallace, who knows about as much about cotton and the cotton market as Senators know. I am not underrating my colleagues, but they do not know a thing about it. Yet they are ready to take the action now proposed. It is analogous to the situation which existed when two men claimed to have discovered the North Pole, and we were asked to judge which one really did discover it. We had not been to the North Pole, but we knew all about it. They were before a jury which did not know a thing about it, and the man who happened

to have the pull got the credit for discovering the Pole. I always did believe the other man discovered it, too.

Mr. President, I am laying a foundation to appeal to my colleagues. Whatever you do, in the name of reason, do not begin this export subsidy business. If the Government has any money with which to subsidize, let us, by all means, subsidize our own people.

I maintain that if we will now declare that we are going to put on the market—not export, but put on the market—a definite quantity of loan cotton, together with the current crop which comes in, and let it find its competitive relation with world cotton, we will see every bale of the cotton consumed in 3 or 4 years, to the benefit of the American producer and the American spinner.

Why all this haste and paralysis and fear about us having eleven and a half million bales, if we will use common sense in feeding it out to the world market as it is willing to take it? Whenever we decide how much we are going to put on the market in conjunction with the current crop, the world will take it.

Of course, there are certain laws which are very helpful to the export and consumption of American cotton, such as the Smoot-Hawley tariff law, the Johnson Act, and the anti-dumping clause. We have tried in every way possible to turn the tide against us. But, despite all that, if we will use common sense and say to the world, "We are going to dispose of so much of this cotton periodically," and stick to it, the competition for American cotton, which is superior to any cotton in the world, will result in our getting rid of it to the benefit of the American spinner and producer.

There may be some in another part of the Capitol who say that they would not take a bill which bears my name; but that bill is the result of the work of every element in the United States engaged in the processing and consumption and production of cotton. We got around a round table and wrote a bill, an American bill; not a miserable subsidy bill. Complaint is made that it will cost too much money. I would rather it would cost double what it would cost than to go into subsidizing the foreigner at the expense of the American producer and consumer and taxpayer.

Mr. President, I am astounded that anyone should say that the present price of American cotton is out of line with that of foreign cotton. I invite my colleagues to get the report of the price of foreign cotton up to date compared with the price of American cotton. It will be found that for every point American cotton has risen the cotton of Argentina, Peru, Brazil, India, all commercial cotton, has gone up exactly the same; and when ours receded, the others receded. So the American price determines the price of the world cotton. I defy any man to dispute that.

We set the price; and now, because of crass ignorance, if not worse, an attempt is made to make us believe that we Democrats—God save the mark—in order to get rid of our cotton, have to sell it at such a low price that foreign countries can spin it and sell the goods back to us at prices lower than what must be charged by our people, who have to pay the higher price; and therefore we must put a tariff on the imported goods. Having created the condition for a tariff, then, please God, let us invoke the tariff. In other words, put the foreigner in such a situation that he can spin our cotton and make the goods and ship them back to us for sale at prices below those for which our own citizens can spin the cotton and sell the goods here. And in order to keep them from doing that, when we have sold them the cotton so cheap that they can process it and bring the products to our market, it is proposed that we forbid our people getting the advantage of that nefarious trick.

Mr. President, that puts us in a beautiful light, does it not, imposing an import duty on goods made from American cotton in order to keep the foreigner, to whom we sold the cotton so cheap that he could manufacture it and send the goods back here, from selling the goods made from American cotton? All who subscribe to that doctrine should vote "aye."

Mr. President, what is the occasion for this export subsidy? Why is there a desire that we get rid of cotton in that man-

ner? I can tell how it is possible to get rid of every bale of it. Just give it to the Europeans.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. CHAVEZ. The question in my mind is not what is the occasion for getting rid of the cotton in that manner, but how are we to help the cotton farmer?

Mr. SMITH. We can help the cotton farmer since we have promised him parity—

Mr. CHAVEZ. I am for it.

Mr. SMITH. Very well; we have promised him parity. If the supply of cotton, both American and world cotton, must of necessity, under the law of supply and demand, be selling at a price away below parity, if we have any subsidy to grant, let us say to the American farmer, "Sell your cotton at what it will bring in the world market and we will make up the difference to you between that price and parity."

Does that answer the Senator?

Mr. CHAVEZ. It would satisfy me. Nevertheless, I ask the question, Are we doing anything for the cotton farmer? Is the problem one of subsidizing exports or subsidizing domestic consumption, or is the problem something else?

Mr. SMITH. All I know about the situation is that cotton is indestructible. I had my photograph taken beside a bale of cotton 67 years old.

Mr. CHAVEZ. Let me ask the Senator whether the problem has changed since then?

Mr. SMITH. No.

Mr. CHAVEZ. It is still the same?

Mr. SMITH. It is still the same.

Mr. CHAVEZ. The cotton problem was the same 60 years ago?

Mr. SMITH. Oh, no. I did not understand the Senator. No; it was not. I used to receive 6 cents a pound for cotton and could take the 6 cents and buy clear rib sides at 6 cents a pound. Now I get 8 cents a pound for cotton and give 21 cents a pound for the meat.

Mr. CHAVEZ. In connection with the cotton problem—and there are farmers in my State who produce cotton which is generally disposed of in foreign countries, so we do not compete with domestic consumption—are we not neglecting the competing factors? After all, the world is moving, and there are many things happening today which did not happen 60 years ago. There are many competing factors, such as rayon, for instance, and, what has been talked about lately, products made from glass or milk competing with cotton. Is it not a fact that the cotton farmer today is trying to conduct his business and production as he did some time ago, without taking advantage of the technical improvements that have been brought about by other competing factors?

Mr. SMITH. If the Senator will go into a store, I think he will find that the competition with cotton of rayon and the other products of which he speaks is not so great as he assumes it to be. The fact is that rayon and wood fiber have been worked to a fare-you-well, while the consumption of cotton has steadily increased, and more cotton is consumed today than ever before in the history of the world.

Mr. CHAVEZ. I should like to ask the Senator another question: When the average girl in Washington, or in the Senator's State, or my State, goes into a store to buy a pair of stockings—we are dealing with the human element, and it is a million years old—what will she buy?

Mr. SMITH. She will buy the rayon stockings; and if the Senator thinks that that is the major part of her covering—

Mr. CHAVEZ. I do not think it is. I am thinking about a fact.

Mr. SMITH. I am also thinking about a fact. But does the Senator think that the stockings that women wear are the cause of the decline in cotton goods, when the Senator is covered with cotton right now, and so is the Senator next to him, and so is every woman in the country?

Mr. CHAVEZ. But we are not going to keep a girl from buying rayon stockings.

Mr. SMITH. No; and I should not want to do so because the stockings used in this country would not represent 100,000 bales of cotton.

Mr. CHAVEZ. Suppose we approach the question from the jute end.

Mr. SMITH. From the jute end?

Mr. CHAVEZ. Yes.

Mr. SMITH. Jute has nothing more to do with it than the number of teeth in a handsaw has to do with the price of chickens.

Mr. CHAVEZ. There was some testimony produced before the committee—

Mr. SMITH. Oh, yes, we can get testimony everywhere. We have had jute since cotton was first planted, and the consumption of jute has not increased one particle, while the consumption of cotton has increased.

Mr. CHAVEZ. Nevertheless, the committee will have to take the testimony that is given before it, and testimony was offered before the committee that 2,000,000 bales of cotton could be used to take the place of jute.

Mr. SMITH. Oh, yes, but that has not been done, and there is no necessity for doing it so long as we can get a reasonable price for cotton.

Mr. CHAVEZ. Mr. President, I agree with the Senator that there is no need for it, but nevertheless the fact still remains that 2,000,000 bales of cotton could be used where now jute is used.

Mr. SMITH. Oh, yes; and 4,000,000 bales of cotton could be used if women had never during the last 100 years worn silk or linen, but they do so, and cotton is still consumed.

Mr. CHAVEZ. Mr. President, with all deference to the Senator from South Carolina, and although I desire to protect cotton, I must say that it will never get back on its feet unless it faces the stern reality that it has a competing factor by way of progressive technical improvements throughout the country. That is the whole trouble with cotton now. Cotton is competing with rayon and is competing with other commodities.

Mr. SMITH. I will leave the Senator to cultivate his own ideas and lie down with his own thoughts. I am just taking the situation as it stands, and am protesting against the foolishness of trying to rush into such an un-American, such an undemocratic thing as dumping our cotton while we have a law against dumping. The Senator from Alabama tried to explain the matter just now by saying it was a form of competition.

Mr. CHAVEZ. I may say that in that particular instance I am in full agreement with the Senator from South Carolina.

Mr. SMITH. I knew the Senator's views were sound fundamentally. This other thing did not worry me a bit.

Mr. President, I sponsored a bill, and everyone I have spoken to about it has said it was a good bill. But it failed of passage in the other House. Therefore, it is asserted that we must pass an absurd measure in order to say we have done something for the cotton farmer. It is just as reasonable to go in to a sick child and say, "I do not know what sort of medicine to give him. We cannot give him the right kind of medicine. Let us give him a dose of strychnine. He must have some medicine. Let us give him strychnine. If it kills him, all right; but we will give him the medicine."

Mr. CHAVEZ. May I encroach upon the good nature of the Senator again? I have tried to gain as much information at the committee hearings as anyone else, but it appears to me that while technological improvements are being brought about in connection with rayon and other materials, very little research work has been done with respect to cotton in order to provide some other means of disposing of cotton.

Mr. SMITH. I do not know what further research cotton needs. God knows it is the basis of the clothing of 900,000,000 people. Controvert that statement. Nine hundred million persons, more or less, throughout the world, use cotton.

Mr. CHAVEZ. May I interrupt the Senator at that point?

Mr. SMITH. I should like to go on with my speech. Cotton fiber is without a competitor in the world of fibers. It grows prolifically. It comes in a form that needs no

extra handling. It is already the attenuated fiber ready for spinning. Under the modern process of loose weaving it takes an expert to tell the difference between a woolen and a cotton garment. With the tight-weave process and the modern laundry it has practically driven linen off the market. Under the mercerized process it is a substitute for silk. It is the most adaptable, the most universally used product for wearing apparel. America is the premier in the production of quality cotton, which commands a premium the world over. Yet, merely because we happen to have in store eleven and one-half million bales of cotton, with another crop coming on, we become demoralized when we ought to be proud of the fact that we have such a wonderful banking asset.

Mr. President, the Senate may not be aware of the fact, but it is a fact, that under the Federal Reserve Act cotton, like gold, is made the basis for the issue of temporary currency. We could issue temporary currency on our holdings of cotton and circulate it, and have something as the basis of redemption just as we have in gold. Yet cotton is a despised fiber. We can take our cotton, as I said, and distribute it all over the world market, and let the world know our basis of distribution, and the difference between the price we get for it and the percentage of parity which we promise to make up to the farmer. The House said it cannot be done unless we have the money with which to do it. Under the pending bill we will have the money. We will have \$253,000,000 for the purpose of making up to the farmer the difference between 60 or 65 percent of parity and what he may happen to get in the market. Who would not rather spend \$500,000,000, if necessary, to subsidize the cotton farmer and let cotton find its level in the competitive market, rather than to subsidize the foreigner and exporter? The members of my committee now before me will testify to the fact that the Secretary of Agriculture came before our committee and practically endorsed that bill; and in less than 2 weeks he was a thousand miles away from it.

I state without fear of contradiction that if we adopt a policy which will give confidence—mark my words—confidence to the cotton-purchasing world, and let it know definitely what it may depend on, within a reasonable time we can get rid of every bale of cotton we have at from 1 to 2 cents a pound higher than our present price.

I do not know what excuse the body at the other end of the Capitol may now have. We have the money. Why not subsidize our people on the current crop and hold the loan cotton until next January? Let the current crop find a market, and let us subsidize the farmer to the extent of the difference between what we promise him in parity and the price he receives. In January let us begin to turn loose the loan cotton with a definite policy rather than go into this absurd thing of involving us in a retaliatory tariff both on cotton goods and on the reimportation of cotton. If it were not for the law, it would be easy to let the cotton producers sell cotton abroad, and those of us who plant it could simply reimport it in lieu of a crop. We could do so more cheaply than we could grow cotton.

Mr. President, I hope that every genuine American in this body—and I believe every Member is a genuine American—will so emphatically put his seal of disapprobation on this absurd move that it will never again raise its head in the American Congress.

Mr. President, if I stay over and feel more like speaking tomorrow than I do this afternoon, I shall go further into the matter.

Mr. GEORGE. Mr. President, if the Senator will permit me, I express the hope that he will be able to stay over.

I ask the majority leader if he is not willing to take a recess at this time until tomorrow?

Mr. BARKLEY. Yes. Has the Senator from South Carolina concluded?

Mr. SMITH. I have concluded.

REORGANIZATION PLAN NO. II—RESOLUTION OF DISAPPROVAL

Mr. BYRNES. Mr. President, I submit a concurrent resolution disapproving reorganization plan No. II, submitted by the President today.

I am heartily in favor of the plan. I am submitting the concurrent resolution at this time solely for the purpose of enabling the Senate to have an opportunity to vote upon the matter. It will be my purpose to ask the Reorganization Committee to report the concurrent resolution, and, when it is reported, to ask for its consideration at the earliest possible date, in order that the matter may be disposed of, and that the officials of the executive departments and bureaus affected may know what disposition is to be made of reorganization plan No. II.

The concurrent resolution (S. Con. Res. 16) was referred to the Select Committee on Government Organization, as follows:

Resolved by the Senate (the House of Representatives concurring). That the Congress does not favor the reorganization plan No. II, transmitted to Congress by the President on May 9, 1939.

THE JUDICIARY—HARRY J. LEMLEY

Mr. MILLER. Mr. President, as in executive session, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination of Harry J. Lemley to be United States district judge for the eastern and western districts of Arkansas. The nomination was confirmed yesterday.

The PRESIDING OFFICER. Is there objection?

Mr. McNARY. I have no objection.

The PRESIDING OFFICER. The Chair hears none, and the President will be notified.

RECESS

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 53 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, May 10, 1939, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

TUESDAY, MAY 9, 1939

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O God of grace, Thou hast overlaid the tokens of Thy power with great gentleness and with great love. Oh, how wonderful is Thy goodness which Thou hast wrought for them that trust in Thee before the sons of men. We beseech Thee to enable us to meet temptation unafraid and unharmed; keep us from all pride, deception of innocence; cleanse Thou us from secret faults. Teach us, O Lord, to be patient and long-suffering. Give us such a sense of humility that we shall rejoice each day that we have so many blessings instead of complaining that we have so few. Heavenly Father, clothe us with fine conceptions of manhood that the ideals of truth, honesty, and purity may grow clearer to us. We praise Thee that Thou dost deal with us in affection and Thy chastisements are for our good. In the name of our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate insists upon its amendments to the bill (H. R. 5762) entitled "An act to provide for temporary postponement of the operations of certain provisions of the Federal Food, Drug, and Cosmetic Act," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CLARK of Missouri, Mr. PEPPER, and Mr. McNARY to be the conferees on the part of the Senate.

The message also announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 221. Joint resolution authorizing the President to invite other nations to participate in the Sacramento Golden

Empire Centennial commemorating the one hundredth anniversary of the founding of Sacramento by Capt. John A. Sutter.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries.

EXTENSION OF REMARKS

Mr. COCHRAN asked and was given permission to revise and extend his own remarks.

PERMISSION TO ADDRESS THE HOUSE

Mr. COX. Mr. Speaker, I ask unanimous consent to proceed for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. COX. Mr. Speaker, on yesterday the chairman of the Committee on Labor gave notice that on Monday next she would move to suspend the rules and pass amendments reported by her committee to the wage-hour bill.

I want to give notice to the House that a vote for that bill will be a vote against the farmers and the small-business men of this country. It will be voting the dictations of Mr. Andrews, the Administrator of the Wage and Hour Division. [Applause.]

PAYMENT OF SALARIES OF OFFICERS AND EMPLOYEES OF CONGRESS

Mr. WARREN. Mr. Speaker, from the Committee on Accounts, I offer a joint resolution (H. J. Res. 280) authorizing the payment of salaries of the officers and employees of Congress on the first workday preceding the last day of any month when the last day falls on Sunday or a legal holiday, and ask unanimous consent for its immediate consideration.

The Clerk read the joint resolution, as follows:

House Joint Resolution 280

Resolved, etc., That the joint resolution entitled "Joint resolution authorizing the payment of salaries of officers and employees of Congress for December on the 20th day of that month each year," approved May 21, 1937, is amended by adding at the end thereof a new section, as follows:

"Sec. 2. The Secretary of the Senate and the Clerk of the House of Representatives are authorized and directed to pay to the officers and employees of the Senate and House of Representatives, including the Capitol Police and Office of Legislative Counsel, and employees paid on voucher under authority of resolutions, their respective salaries on the first workday preceding the last day of any month (except the month of December) when the last day of such month falls on a Sunday or a legal holiday."

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, do I understand the gentleman asks that this may have a privileged status?

Mr. WARREN. No; this is not the matter the gentleman has in mind. This does not cost anybody anything.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. WARREN. Mr. Speaker, I ask unanimous consent that I may proceed for about 2 minutes preparatory to asking for a unanimous-consent agreement.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. WARREN. Mr. Speaker, I would like to have the attention of the gentleman from Texas [Mr. RAYBURN], although I know how he feels about this, and also the gentleman from Massachusetts [Mr. MARTIN].

Mr. Speaker, from the Committee on Accounts I am today reporting by unanimous vote of that committee the bill (H. R. 6205) to provide for additional clerk hire in the House of Representatives, and for other purposes, without recommendation.

This bill would increase the clerk allowance to Members of the House from the present \$5,000 to \$6,500 and would permit the employment of either one, two, or three clerks, with the proviso that no one clerk could receive over \$3,900 annually, this being the present law. It also provides that it shall become effective on January 1, 1940.

In reporting this bill to the House without recommendation the committee unanimously takes the position that as it directly affects the privileges of all the Members of the House, the House at least is entitled to express itself on this question.

This is not a privileged matter. In view of that statement and after having consulted with the Speaker of the House, the majority leader, and minority leader, I desire to submit this unanimous-consent request in reference to this bill, and I may say that if the request is granted it will be my purpose to call it up on next Tuesday morning. The request that I now make is as follows:

I ask unanimous consent that it may be in order to consider the bill (H. R. 6205) to provide for additional clerk hire in the House of Representatives, and for other purposes, as a privileged bill from the Committee on Accounts; that such bill shall be considered in the House and that debate on said bill be limited to 1 hour, at the conclusion of which the previous question shall be considered as ordered on the bill to final passage.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. MARTIN of Massachusetts. Mr. Speaker, I reserve the right to object. I agree with the committee in its procedure. I believe this is a matter on which the entire membership of the House should have an opportunity to express itself. Therefore I shall not object to giving it the privileged status asked, but I want it understood thoroughly that my failure to object to that does not mean that I personally favor the legislation.

Mr. WARREN. That, Mr. Speaker, I might say, is also thoroughly understood on this side of the House. This merely gives the Members the right to express themselves.

Mr. RICH. Mr. Speaker, I reserve the right to object, to ask this question. Very few Members are on the floor at the present time, and unless they notice this in the RECORD they are not going to have an opportunity to study the question except during the time between now and next Tuesday. If it is the gentleman's purpose to allow only 1 hour of general debate, let us suppose there is some reasonable objection to the bill. The people who are opposed to it should have an opportunity, as well as those who are favoring it, to thoroughly discuss the matter. It seems to me that 1 hour is not sufficient time.

Mr. WARREN. Mr. Speaker, as the gentleman knows, all privileged resolutions coming from the Committee on Accounts have only 1 hour granted for discussion. If this request is granted, it will be my purpose on Tuesday next to immediately yield half of the time to the ranking minority Member, the gentleman from Pennsylvania [Mr. WOLFENDEN].

Mr. RICH. But that would be giving only half an hour to this side and half an hour on the other side. That is not a reasonable time to devote to a question as serious as this is. It seems to me that we ought to have 2 hours' time.

Mr. WARREN. During the gentleman's service in the House this matter has been up at least twice, and during my service I think it has been considered three times, and on all occasions the procedure was established just as I am now asking; that is, an hour's debate. That is the usual time and I think the only time that is ever allowed on these resolutions from the Committee on Accounts.

Mr. RICH. Will the gentleman give at least half the time to those who might be opposed to this bill?

Mr. WARREN. Indeed, I will.

Mr. RICH. Mr. Speaker, I shall not object, but I still think the gentleman ought to grant 2 hours' time for debate.

Mr. WARREN. I guarantee that at least half the time will be given to those who may be opposed to the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

ELECTION TO COMMITTEE

Mr. DOUGHTON. Mr. Speaker, I offer the following privileged resolution, which I send to the desk and ask to have read.

The Clerk read as follows:

House Resolution 186

Resolved, That the following-named Members be, and they are hereby, elected members of the standing committees of the House of Representatives:

Post Office and Post Roads: Clyde T. Ellis, Arkansas.

District of Columbia: William R. Poage, Texas.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to, and a motion to reconsider was laid on the table.

LEAVE TO SIT DURING SESSION OF THE HOUSE

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent, at the request of the chairman of the Committee on the District of Columbia, that the Subcommittee on Public Health of that committee may sit during the session of the House today.

The SPEAKER. Is there objection?

There was no objection.

SHIPMENT OF SCRAP IRON TO JAPAN

Mr. GEYER of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. GEYER of California. Mr. Speaker, I am addressing my few remarks today to the House in general, but in particular to the Foreign Affairs Committee. Word has come to me that there are at this moment in my own district in the San Pedro Harbor, the port of Los Angeles, Calif., three ships being loaded with scrap iron for shipment to Japan. Last week we were horrified to read in the daily press of the killing of hundreds of defenseless men, women, and children in the southern part of China.

Could there be any chance be any connection between the selling of scrap iron and the maiming and killing of these human beings? Where do you suppose the gasoline that furnishes the power for these dastardly attacks originates?

We all know the answer to both of these questions, and as Members of this body we certainly have a responsibility to shoulder. If I supply a weapon to a man whom I know to be a murderer, I believe I am just as guilty of the crime that he subsequently commits as the man who actually commits the deed. At least I am an accomplice. If I have it in my power to prohibit his getting possession of that weapon, and I do nothing about it, I am guilty of a sin of omission, which, I believe, to be just as great as a sin of commission.

If what I have said be true in the case of one man, I believe it to be also true in the case of two or three men. If it be true in the case of two or three men, it is true in the case of many millions of individuals that make up a nation. You and I have the direct responsibility, even though we may not have thought of it in that light before. What are we doing to stop the putting of the weapon in the hand of the murderer? I know the Foreign Affairs Committee is wrestling with this very grave problem, and I have faith that a way will be found to stop the sale of oil, scrap iron, and other materials used in war, as well as the actual implements of warfare, from going to the nation that is already a violator of one of the treaties to which both countries, the United States and Japan, are signatories.

I hear some reply, "That may be true what you say, but we had better mind our own business." To these people I make this answer: "That was the burden of Hitler's answer to the Roosevelt pleas for nonaggression, and that is the plea of the un-American Bund and other like organizations within our gates."

To this same excuse for refusing to be a party to the murder of the innocent, namely, that we must mind our own business, I again reply: "That is just the trouble; we are minding our own 'business' when we are shipping these death-dealing materials—the business of making money." I believe that this is one business that should stop.

So, my colleagues, while we are delaying, my own port of Los Angeles, San Francisco's port, and the port of Seattle are busily engaged in the shipment of these supplies and the innocent human beings are being slaughtered like sheep while we look on.

This is something for which you and I must take our responsibility; and I, for one, do not care to have the blood of the innocent upon my hands. I have faith in our committee, but I beg of you gentlemen make haste.

ADDITIONAL COPIES OF HEARINGS ON INVESTIGATION OF THE ADMINISTRATION OF THE TENNESSEE VALLEY AUTHORITY ACT OF 1933

Mr. JARMAN. Mr. Speaker, from the Committee on Printing I report back favorably (Rept. No. 571) a concurrent resolution (S. Con. Res. 7), and ask for its immediate consideration.

The Clerk read as follows:

Senate Concurrent Resolution 7

Resolved by the Senate (the House of Representatives concurring), That in accordance with paragraph 3 of section 2 of the Printing Act, approved March 1, 1907, the special joint congressional committee of the Congress appointed pursuant to Public Resolution No. 83, approved April 4, 1938, to make a full and complete investigation of the administration of the Tennessee Valley Authority Act of 1933, as amended, be, and is hereby, empowered to procure the printing of 1,000 additional copies of the hearings held before the said committee during its investigation.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING OF ADDITIONAL COPIES OF THE REPORT OF JOINT COMMITTEE APPOINTED TO INVESTIGATE TENNESSEE VALLEY AUTHORITY

Mr. JARMAN. Mr. Speaker, from the Committee on Printing I report back favorably (Rept. No. 572) a concurrent resolution (S. Con. Res. 9), and ask for its immediate consideration.

The Clerk read as follows:

Senate Concurrent Resolution 9

Resolved, etc., That there be printed 3,000 additional copies of Senate Document No. 56, current session, entitled "Report of the Joint Committee of Congress Appointed To Investigate the Tennessee Valley Authority", which was submitted to the Congress on March 31, 1939, of which 1,000 copies shall be for the use of the Senate document room, and 2,000 copies for the use of the House document room.

The Senate concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING ADDITIONAL COPIES OF THE HOUSE REPORT ON INVESTIGATION OF UN-AMERICAN ACTIVITIES AND PROPAGANDA

Mr. JARMAN. Mr. Speaker, from the Committee on Printing I report back favorably (Rept. No. 573) a concurrent resolution (H. Con. Res. 16), and ask for its immediate consideration.

The Clerk read as follows:

House Concurrent Resolution 16

Resolved, etc., That there be printed 25,000 additional copies of House Report No. 2, current Congress, entitled "Investigation of Un-American Activities and Propaganda", of which 3,000 copies shall be for the use of the Senate document room, and 22,000 copies shall be for the use of the House document room.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. BURDICK. Mr. Speaker, I ask unanimous consent to extend my own remarks in two particulars: First, on the subject of the vanishing farmer, and include therein a short letter less than a page; second, I ask unanimous consent to extend my own remarks on the money question.

The SPEAKER. Without objection, the requests are granted.

There was no objection.

Mr. BOLLES. Mr. Speaker, I ask unanimous consent to extend my own remarks and include a letter from a leading agricultural writer, J. D. Glover, in Hoard's Dairyman.

The SPEAKER. Is there objection?

There was no objection.

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and include an editorial appearing in the New York Inquirer, issue of May 8, 1939, on the subject of democracy in Cuba.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

SALARIES OF EMPLOYEES OF W. P. A.

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I have today introduced a resolution calling upon Administrator Harrington of the W. P. A. to give the House the names and salaries of all persons on the administrative staff and supervisory rolls of W. P. A. receiving salaries of \$100 per month or more. I have also requested the names of those who in recent months have had their pay increased, and the amount of such increases.

I had heretofore requested this information from Colonel Harrington for the State of Massachusetts. I was surprised when the request was turned down because it "might be embarrassing to the officials receiving the salaries in their communities."

I presume the same might be said in the case of any public official. However, it has been the American custom and certainly an American privilege to have the salaries of public officials a matter of public record. Certainly there should be no departure from this wise policy.

And certainly Members of Congress who are called upon to make appropriations should be given this information. Above all, the people who pay the taxes are entitled to have the information.

Only an unwholesome spirit of bureaucratic dictatorship would seek to deny this information to the Congress and the people. I demand, in the public interest, that the secrecy be swept aside and the high salaries in W. P. A. be made public.

I am hopeful the House will see the situation in its true light and safeguard the rights of Congress and the people by making it possible to obtain the facts concerning the administration of an agency of the Government which, our investigations show now, fairly reeks with inefficiency, corruption, scandalous waste, and un-Americanism.

I see several members of the distinguished Rules Committee present, and I hope I can create some interest in that group concerning my resolution. [Applause.]

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. Certainly.

Mr. COX. Has the gentleman felt out the sentiment of the House sufficiently to form any opinion as to whether there is the slightest objection to the adoption of his resolution?

Mr. MARTIN of Massachusetts. In reply to the gentleman from Georgia, I cannot see how any man on either side would object to Members of Congress knowing what the Government is paying its public officials.

[Here the gavel fell.]

Mr. GILLIE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. GILLIE. Mr. Speaker, I wish to call the attention of the House to the following resolution which I have just placed in the hopper:

Resolved, That it is the sense of the House of Representatives that the Administrator of the Works Progress Administration shall, upon the written request of any Member of Congress, provide said Member with a list of the names, positions, and salaries of noncertified employees of the Works Progress Administration in said Member's congressional district.

Mr. Speaker, I know that it will surprise many of my colleagues to learn that such a resolution is necessary. It is

difficult to believe that information of this type, which should be available to elected representatives of the people, is being withheld by officials of the Works Progress Administration. I would not believe it myself had I not already been refused this information by Col. F. C. Harrington.

In asking support of this resolution by every fair-minded Member of the House, I wish to insert in the RECORD two letters from Colonel Harrington and a newspaper article, which explain very fully why this resolution is necessary.

Letters and newspaper article follow:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., April 24, 1939.

Col. F. C. HARRINGTON,
Works Progress Administration, Washington, D. C.
MY DEAR COLONEL HARRINGTON: Republican Members of Congress from Indiana have recently requested a full and complete investigation of the Works Progress Administration in their State.

Most of the complaints on which this request are based had to do with irregularities in the supervisory and administrative personnel of the W. P. A. in Indiana.

These charges, in general, are that relief pay rolls have been padded with Democratic Party workers and relatives of local W. P. A. officials.

In the belief that these charges should either be proved or disproved, I would appreciate being provided with a list of nonrelief employees in the Fort Wayne W. P. A. district, together with their respective salaries.

Thanking you in advance for your cooperation in this matter, I am,

Sincerely,

GEORGE W. GILLIE, M. C.

WORKS PROGRESS ADMINISTRATION,
Washington, D. C., April 26, 1939.

The Honorable GEORGE W. GILLIE,
House of Representatives.
MY DEAR MR. GILLIE: The receipt is acknowledged of your letter of April 24, 1939, requesting a list of nonrelief employees in the Fort Wayne W. P. A. district, together with their respective salaries.

I am entirely willing to furnish information regarding our administrative personnel giving numbers of persons and salaries which they are receiving, but hesitate to give lists of names, as I believe that such information subjects the individuals concerned to embarrassment.

At this particular juncture an investigation of the Works Progress Administration is being conducted by a subcommittee of the Committee on Appropriations of the House of Representatives under the authority of House Resolution No. 130. This subcommittee has called upon the Works Progress Administration for a large amount of information concerning our administrative staff which is now being supplied and which I presume will be embodied in the report of the investigating committee.

In view of the fact that this committee has been designated by the Congress to investigate this matter I would like to defer furnishing the information which you have requested until after the investigation is completed.

Very truly yours,

F. C. HARRINGTON,
Administrator.

WORKS PROGRESS ADMINISTRATION,
Washington, D. C., March 23, 1939.

General letter No. 36, supplement No. 2.
To: All Works Progress administrators.
Subject: Requests for names and salaries of W. P. A. administrative and supervisory employees.

This supplement is to clarify the provisions of general letter No. 36, dated June 2, 1936, with reference to requests which may be received by the State Works Progress Administration for the names and salaries of W. P. A. administrative or supervisory employees.

The names and salaries of such personnel shall be considered as confidential, and shall not be furnished in response to requests which you may receive. However, all such requests shall be referred at once to the Washington office of the Works Progress Administration, for the attention of Mr. Dallas Dort, Assistant Administrator, and the person or agency making the request shall be informed of this action.

You are authorized, however, to furnish information as to the numbers of employees and salary rates without giving names in the case of requests the basis of which you consider to be reasonable. Doubtful cases should be referred to this office for decision.

F. C. HARRINGTON,
Administrator.

[From the Fort Wayne (Ind.) News-Sentinel of May 1, 1939]
CLELAND BACKS GILLIE'S DEMAND THAT W. P. A. PAY ROLLS BE PUBLIC

Samuel C. Cleland, Democratic leader here and a former chairman of the Allen County Democratic Central Committee, today addressed

a letter to Col. F. C. Harrington, W. P. A. Administrator, at Washington, D. C., remonstrating against Harrington's alleged refusal to grant the request of Congressman GEORGE GILLIE, of the fourth district, for a copy of pay rolls of W. P. A. administrative and supervisory employees on the ground that it would subject "such employees to embarrassment."

The full text of Mr. Cleland's letter follows:

"I read a Washington dispatch in the Fort Wayne News-Sentinel in which you are alleged to have refused Congressman GILLIE, of the Fourth Indiana District, a copy of pay rolls of W. P. A. administrative and supervisory employees on the ground that it subjects 'such employees to embarrassment.'

"I confess that is a naive but not a very sound reason.

"The salary of every school teacher, every employee of our city and county government is public property. The pay rolls are public records and open to the inspection of any taxpayer. The pay rolls of county employees are published bimonthly.

CITES SCHOOL TEACHERS' POSITION

"The school teachers and public employees are not embarrassed because all of them, as well as the public, proceed upon the theory that they earn the salaries paid and are entitled to receive them.

"The secretiveness of your department serves only to breed suspicion and distrust, which is already deep-seated enough to have caused Congress to reduce what I personally believe to be a necessary request for funds.

"I did not subscribe to the reduced appropriation because I do not think it sound to punish those in need of employment for sins—if there are any—on the part of those administering the funds, and I do not even mean to insinuate that there are any.

"I do say, however, that if there are any, they ought to be corrected.

"The W. P. A. has had no more ardent supporter than myself. I shudder to think what might have happened had we not had W. P. A. during these years of distress.

BELIEVES ERRORS MADE

"I think some errors have been committed, perhaps not intentionally but unwittingly. Chief of these are discriminations on the part of supervisors and bosses against men to whom they may have taken dislike. I draw this conclusion from the fact that complaints have come to me, not in isolated instances but by the dozens. Not a week passes that I am not approached by from 5 to 25 of these employees.

"No small part of the difficulty arises from certifying employees and clerks who have had no experience other than book-learning, professional social workers who never paid a dollar in taxes and never even approached the seamy side of life close enough to even get a look at it. Consequently they are utterly lacking in that human equation which manifests itself in sympathy and understanding patience.

"The superior attitude of the social worker does not contribute anything to the successful administration of W. P. A.

"Kindness and courtesy toward the worker costs nothing, contributes much, and yet is almost unknown in the handling of these men.

NOT LOOKING FOR A JOB

"I write you this letter as a New Deal Democrat, who is neither seeking a job for himself, a relative, or friends.

"The charge of politics in administration, I think, is very greatly exaggerated, particularly in this district.

"If anything, our opponents had the advantage in the last election. At any rate the results demonstrated that most W. P. A. workers must have voted the Republican ticket. There must have been a reason for it.

"These men want only kindly and decent treatment. This they are entitled to. This it is your obligation to see they get. This is exactly the reason why I oppose civil service in this sort of work. All employees in supervisory and clerical jobs should be subject to immediate discharge, and a single act of discourtesy or unkindness should be sufficient cause for discharge or dismissal.

"I did not agree with my Congressman in voting for the reduced appropriation. I commend him highly on his stand in demanding pay rolls and encourage him to immediately introduce a resolution in the Congress requiring the W. P. A. offices to furnish to any Member of Congress any and all reasonable information regarding the administration of W. P. A.

DON'T NEED WORK

"In this district jobs are held by persons who have adequate incomes without this work, with many people in need just as competent to hold these jobs.

"If you desire to keep your department free of suspicion and unjust charges, the only honorable course to follow is to lay it open to the duly elected representatives of the people who provide the funds with which to operate it.

"Dr. Gillie is eternally right in his demands for this information, and when I believe him to be right, I shall even stand in his defense, notwithstanding our differences politically.

"I hope you will reconsider your position and approach this request from the point of view which will have the approval of the people of the Fourth Congressional District of Indiana."

[From the Fort Wayne News-Sentinel of May 3, 1939]

A W. P. A. ERROR

Any Allen County taxpayer may go to the Allen County courthouse and there see the salaries paid to persons employed by either the county or the city.

The accessibility of such salary records is justified by the fact that taxpayers, being the ones to pay public salaries, have a right to ascertain what they are paying.

This newspaper has never believed that there should be any encouragement given to the widespread publication of publicly derived small salaries purely for idle gossip purposes; but it does not believe, either, that proper persons seeking proper information for proper purposes should be interfered with by bureaucrats exercising improper authority.

The case in point is the refusal of the W. P. A. here to provide Congressman GEORGE W. GILLIE with lists of the salaries received by W. P. A. administrative officials in the Fort Wayne area.

A Member of Congress is a proper person to seek such proper information, and his purposes are exceedingly proper. If Members of Congress are not informed with respect to such items of expenditures, they are almost obligated to accept the conclusion that the W. P. A. is wasteful and extravagant—and perhaps even corrupt.

Samuel C. Cleland, local Democratic leader, who can hardly be accused of being anti-New Deal, has himself written to Colonel Harrington, national W. P. A. Administrator, finding fault with the W. P. A. reasoning which denied the request of Congressman GILLIE.

It is to be hoped that Mr. Cleland's letter will incline the W. P. A. to see that not all of the opposition to its methods stems from politically partisan opposition.

W. P. A. officials should never take a high-handed attitude toward any American citizen, but least of all should they take such an attitude toward a man who has been elected by the people of eight large counties to represent them in the making of national laws.

EXTENSION OF REMARKS

Mr. HAWKS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an article by Arthur Sears Henning entitled "Hands Out Favors to Friendly Press."

The SPEAKER. Is there objection?

There was no objection.

Mr. CHIPERFIELD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the subject of the exemption of small telephone exchanges from the Fair Labor Standards Act.

The SPEAKER. Is there objection?

There was no objection.

RUMANIAN WAR DEBT

Mr. SHANLEY. Mr. Speaker, I ask unanimous consent to address the House for one-half minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. SHANLEY. Mr. Speaker, in the midst of diplomatic chaos and confusion worse confounded it is refreshing to note the desire of the Rumanian Government to begin the payment on its debt to us and, in addition, to attempt to square its accounts with our own bondholders. Officially here is the story in formal diplomatic language:

"The Rumanian Government has notified the United States Government that it has decided to submit an arrangement for paying its war debt to America.

"It was also decided that on the basis of the arrangement between the Rumanian Minister in Washington and the association of American holders of Rumanian post-war bonds placed in the United States regular payment on this public debt should begin within the framework either of the present transfer possibilities or those that are created through the development of economic relations between Rumania and the United States."

Back of this, however, is the fact that our Minister, Franklin Mott Gunther, has already attended a conference with Premier Armand Calinescu and the officials of the Ministries of Finance and Commerce. There he learned of the desire of the Rumanian Government to enter immediate negotiations with our Secretary of the Treasury for a funding arrangement as part payment of the debt to the United States.

Step by step with this, the distinguished Rumanian Minister credited to our country, Mr. Radu Irinescu, has been instructed to negotiate with the Foreign Bondholders Protective Council of New York for the payment of arrears on Rumanian state bonds held privately in the United States.

None of us who is aware of the financial stringency of the Rumanian capital can help but welcome this magnificent gesture which began at the initiative of King Carol. We cannot expect much, but the gesture itself is of the highest importance.

Mr. Speaker, the ultimate duty in this matter rests with the Congress of the United States. Our Chief Executive

himself, in his great war-debt speech on June 1, 1934, closed with this paragraph:

Recognizing that the final power lies with Congress, I shall keep the Congress informed from time to time and make such recommendations as may later seem advisable.

The President himself said:

These obligations furnished vital means for the successful conclusion of a war which involved the national existence of the borrowers, and later for a quicker restoration of their normal life after the war ended.

The money loaned by the United States Government was in turn borrowed by the United States Government from the people of the United States; and our Government, in the absence of payment from foreign governments, is compelled to raise the shortage by general taxation of its own people in order to pay off the original Liberty bonds and the later refunding bonds.

It is for these reasons that the American people have felt that their debtors were called upon to make a determined effort to discharge these obligations. The American people would not be disposed to place an impossible burden upon their debtors, but are nevertheless in a just position to ask that substantial sacrifices be made to meet these debts.

We shall continue to expect the debtors on their part to show full understanding of the American attitude on this debt question. The people of the debtor nations will also bear in mind the fact that the American people are certain to be swayed by the use which debtor countries make of their available resources—whether such resources would be applied for the purposes of recovery as well as for reasonable payment on the debt owed to the citizens of the United States, for the purposes of unproductive nationalistic expenditure, or like purposes.

I have introduced a bill today creating a commission to handle the projected proposals of the Rumanian Government and to report back their recommendations to the Congress of the United States. There is ample precedent for this in the World War Foreign Debt Commission, originally defined in the act of Congress approved February 9, 1922, and amended by the act of Congress approved February 8, 1923.

Mr. Speaker, it is my fond hope that mightier nations than Rumania, with a population of 18,000,000 people and an area of little over 100,000 square miles, just about the size of Arizona, might follow this example. That country has had a heroic existence from the time she gained her freedom from the Turks in 1877, after four centuries of Mohammedan domination. Her entry in the World War was in 1916; although she reaped terrific set-backs by the German and Austrian troops, she was awarded Hungarian Transylvania and Russian Bessarabia as a reward for her Herculean efforts.

In the post-war period she has been a friend of Hungary and the Union of Soviet Socialist Republics. As a member of the Little Entente she has a close affinity to France, and the utmost cordiality exists with Poland.

Grain and petroleum are her chief products, with the Government and private capital owning her rich oil wells.

For that small nation to have manifested this willingness to make a "determined effort" and "substantial sacrifices" is praiseworthy indeed. Would that it were possible for those so-called democracies for whom the administration is exerting every effort for them to manifest the same zeal.

It might not be amiss for us to point out the possessions of two of these nations in our own hemisphere—France and England—and I ask unanimous consent to extend and revise my remarks and include therein French and British island possessions in the Western Hemisphere.

FRENCH AND BRITISH ISLAND POSSESSIONS IN THE WESTERN HEMISPHERE

GREAT BRITAIN

West Indies group: Bermuda, Bahamas, Barbados, Jamaica, Cayman Island, Turks and Caicos Islands, Trinidad.

Leeward Island group: Antigua, Barbuda, Redonda, the Virgin Islands, Dominica, St. Kitts, Nevis, Anguilla, Montserrat.

Windward Islands group: Grenada, St. Vincent, St. Lucia.

Northern group: Falkland Islands, Newfoundland, Labrador.

FRENCH

Mandated territories: Guadeloupe, Martinique, St. Pierre, Miquelon.

[From the Handbook of Commercial Geography]

British Islands: The total area of these is a little more than 12,000 square miles and the population under 1,500,000.

(1) Jamaica, an island about two-thirds of the size of Yorkshire, south of eastern Cuba, capital and chief port Kingston; (2) the Bahamas; (3) the Leeward Islands—the Virgin Islands (Tortola,

Virgin Gorda, Anegada) (part of the group), St. Christopher (St. Kitts), Nevis, Antigua, Montserrat, and Dominica; (4) the Windward Islands—St. Lucia, St. Vincent, Grenada (with the Grenadines); (5) Barbados; (6) Trinidad and Tobago, the former an island lying opposite the delta of the Orinoco, the latter a little to the northeast. In almost all of them sugar takes an important place among the exports, but cacao and spices are the chief products of Grenada, and since 1885 fresh fruits have risen to the first place among the exports of Jamaica. Cacao is also largely grown in Trinidad, Dominica, and St. Lucia; Montserrat is well known for its lime juice; and Antigua has a large trade in pineapples. The fruits mainly exported from Jamaica are bananas, oranges, and coconuts. The principal market is the United States, but a huge trade in Jamaica bananas has been built up in the United Kingdom and Europe. In many of the islands cotton cultivation (especially of the valuable sea-island variety) is increasing. The chief port for the fruit trade is Port Antonio, on the north coast, which is only about 1,500 nautical miles from New York, as against 4,350 miles from Liverpool. From 1900 to 1910, however, the fruit trade with the United Kingdom was stimulated by a bounty granted to a steamship company for maintaining a direct trade with Jamaica by means of ships provided with refrigerating apparatus suitable for the trade. Among the mineral products of the group are asphalt, obtained from a large lake in the interior of Trinidad; phosphates from Sombbrero, a small island to the east of the Virgin group; and salt from the Turks Islands, a dependency of Jamaica in the southeast of the Bahamas. But of still greater importance is the petroleum industry of Trinidad. In 1925 Trinidad ranked second (after India) amongst oil-producing countries of the British Empire, the output being 154,000,000 gallons, or 0.44 percent of the world's total.

Other islands: Guadeloupe and Martinique, with some smaller islands, and half of St. Martin, belong to the French. The products are similar to those of the British islands. The importance to the United States of the acquisition of the Virgin group lies in the fact that the principal island, St. Thomas, has a fine harbor, with the port of Charlotte Amalie lying on the direct route from the Atlantic end of the Panama Canal to Europe. In former times this port, having been made by the Danes a free port more than a century ago, became the chief depot for the West Indian Islands and the east coast of South America, but this trade dwindled away when direct steamer routes were established in increasing numbers between West Indian and South American seaports and those of Europe and America. It is now, however, likely once more to become an important entrepot.

EXTENSION OF REMARKS

Mr. GEYER of California. Mr. Speaker, I ask unanimous consent to extend my own remarks and include therein an article entitled "Is the Government That Rotten?"

The SPEAKER. Is there objection?

There was no objection.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES— REORGANIZATION PLAN NO. II (H. DOC. NO. 288)

The SPEAKER laid before the House the following message from the President of the United States, which was read:

To the Congress of the United States:

Pursuant to the provisions of the Reorganization Act of 1939 (Public, No. 19, 76th Cong., 1st sess.) approved April 3, 1939, I herewith transmit reorganization plan No. II, which, after investigation, I have prepared in accordance with the provisions of section 4 of the act; and I declare that with respect to each transfer, consolidation, or abolition made in reorganization plan No. II, I have found that such transfer, consolidation, or abolition is necessary to accomplish one or more of the purposes of section 1 (a) of the act.

In my message to the Congress on April 25, 1939, transmitting reorganization plan No. I, I took occasion to say that, it being obviously impracticable to complete the task of reorganization at one time, I had decided, in view of the declaration of the Congress that it should be accomplished immediately and speedily, to undertake it in several steps.

Plan No. I had to do with overall management. Plan No. II, transmitted herewith, is designed to improve the work of the executive branch for which, although carried on through executive departments and agencies, the responsibility to the people is through the President. It is concerned with the sole purpose of improving the administrative management of the executive branch by a more logical grouping of existing units and functions and by a further reduction in the number of independent agencies.

I am transmitting reorganization plan No. II as the result of studies that have been made for me and of my own experience over a period of several years, as the best way in

which to regroup the agencies affected so as to fulfill the purposes of the act:

- (1) To reduce expenditures;
- (2) To increase efficiency;
- (3) To consolidate agencies according to major purposes;
- (4) To reduce the number of agencies by consolidating those having similar functions and by abolishing such as may not be necessary; and
- (5) To eliminate overlapping and duplication of effort.

The plan I now transmit I shall describe briefly as follows:

I propose to transfer the Foreign Commerce Service of the United States and its functions now in the Bureau of Foreign and Domestic Commerce of the Department of Commerce and the Foreign Agricultural Service of the United States and its functions in the Department of Agriculture to the Department of State, and to consolidate them with the Foreign Service of the United States under the direction and supervision of the Secretary of State.

By this transfer and consolidation there will be a single Foreign Service in the Department of State, but this does not mean that the interests of the commercial and agricultural communities are to be neglected, for it is a part of the plan that representatives of the Secretary of Agriculture and the Secretary of Commerce shall be placed on the Board of Foreign Service Personnel and that specific investigations relating to commerce and agriculture shall be initiated directly by the Secretaries of these two Departments, who will receive directly the results of investigations in their own fields.

A much greater degree of coordination and effectiveness in our foreign establishments can be achieved under the plan than has ever before been possible. The needs of the different departments and agencies of the Government will be met more efficiently and the responsiveness of the foreign establishments to these needs will be greatly improved.

The plan presupposes that it may be necessary from time to time for various departments and agencies of the Government to send abroad specialists and technicians for relatively temporary duty. While these will not be in the Foreign Service, strictly speaking, they will be given a suitable commission by the Department of State, on a temporary basis, so that they may have the same obligations as other officers of the Foreign Service while on duty abroad.

The plan also presupposes a special training period within the Department of Commerce and the Department of Agriculture for Foreign Service officers selected to specialize in commercial or agricultural work and contemplates the fullest utilization of the experience gained abroad by Foreign Service officers in the work of the Departments of Commerce and Agriculture in this country. There will be stationed in the Department of State a liaison officer of the Department of Commerce and of the Department of Agriculture to make effective the proposed cooperation.

The plan specifically leaves undisturbed the relationships of the Department of Commerce and of the Department of Agriculture with the commercial and agricultural communities. What it does do is to consolidate the foreign services into one Foreign Service in the Department of State, where it ought to be, with the resulting advantages of economy, efficiency, better functional grouping, elimination of overlapping and duplication of effort, and greater service to our commercial and agricultural interests.

There is also transferred to the Department of State the Foreign Service Buildings Commission and its functions. This Commission is advisory to the administrative work of the Department of State and should no longer have the status of an independent establishment.

The Bureau of Lighthouses, now in the Department of Commerce, is transferred to the Treasury Department and consolidated with the Coast Guard in that Department. The advantages of this consolidation are obvious and fall clearly within the provision of the act requiring me to consolidate agencies according to major purposes. This will save money on equipment and administration and will permit the better use of personnel.

The plan also includes the abolition of the Office of the Director General of Railroads and of the War Finance Corporation and the transfer of their functions to the Secretary of the Treasury to be wound up by him as rapidly as may be. In the case of the War Finance Corporation, it is directed that the final dissolution shall be accomplished not later than December 31, 1939.

I further propose to transfer to the Department of Justice the Federal Prison Industries, Inc., and the National Training School for Boys, and at the same time to abolish the Board of Trustees of the National Training School for Boys. Responsibility for the Federal penal and correctional institutions is in the Department of Justice and these two independent establishments should be consolidated therein. None of the other Federal penal or correctional institutions has a board of trustees and there is no need of further continuing the Board of the National Training School.

The plan also provides for the abolition of the Codification Board established for the purpose of codifying existing administrative law and the transfer of its functions to the Division of the Federal Register in The National Archives. The work of this Board has now progressed to the point where a separate board is no longer necessary and the future work of keeping the codification up to date can more efficiently and economically be carried on by the editorial staff of the Federal Register.

I find it necessary and desirable in order to accomplish the purposes of the Reorganization Act to abolish the National Bituminous Coal Commission and to transfer its functions to the Secretary of the Interior. Thus the task of conserving the bituminous-coal resources of the country may be carried on directly by the head of the Department principally responsible for the conservation of fuel and other mineral supplies. The Congress placed this Commission in the Department of the Interior, but experience has shown that direct administration will be cheaper, better, and more effective than through the cumbersome medium of an unnecessary commission.

The transfer to the Department of the Interior of the Bureau of Insular Affairs in the War Department and its consolidation with the Division of Territories and Island Possessions in Interior is a functional transfer of obvious desirability. Under the provisions of existing law, however, I shall direct, where necessary, that certain correspondence from the Governor General of the Philippines shall be transmitted to the President through the Department of State.

The plan provides for the transfer to the Department of the Interior of the Bureau of Fisheries from the Department of Commerce and of the Bureau of Biological Survey from the Department of Agriculture. These two bureaus have to do with conservation and utilization of the wildlife resources of the country, terrestrial and aquatic. Therefore, they should be grouped under the same departmental administration, and in that department which, more than any other, is directly responsible for the administration and conservation of the public domain. However, I intend to direct that the facilities of the Department of Agriculture shall continue to be used for research studies which have to do with the protection of domestic animals from diseases of wildlife, and also where most economical for the protection to farmers and stockmen against predatory animals.

The plan also provides for the transfer of the Mount Rushmore National Memorial Commission to the National Park Service in the Department of the Interior in order that this great memorial may be administered as a part of the similar work of the Park Service.

Included in the plan is a provision to transfer to the Department of Agriculture the Rural Electrification Administration, now operated as an independent establishment. The work of this Administration in its educational as well as its lending functions is clearly a part of the rural life activities of the country and should, therefore, be administered in coordination with the other agricultural activities of the Government.

The Inland Waterways Corporation is transferred to the Department of Commerce from the War Department. This Corporation, which operates inland waterways transportation facilities, should be coordinated with the administration of other aids to commerce and industry.

I propose to transfer to the Federal Security Agency, for administration in the Office of Education, the film and radio functions of the National Emergency Council. These are clearly a part of the educational activities of the Government and should be consolidated with similar activities already carried on in the Office of Education. Similarly, Government participation in the work of the American Printing House for the Blind, except fiscal functions relating to trust funds, is transferred from the Secretary of the Treasury to the Federal Security Agency, in order that this work may be coordinated with the other work for the blind now being carried on in the Social Security Board.

The plan provides for the abolition of the National Emergency Council and the transfer to the Executive Office of the President of all its functions with the exception of the film and radio activities, which go to the Office of Education. Subject to appropriations by the Congress, these activities transferred to the White House would be administered in the manner best designed to give the President the information he requires from all parts of the country.

The National Emergency Council was established by Executive order in 1933 and is composed of the President, the Vice President, the members of the Cabinet, and the heads of some 23 independent establishments. Its usefulness as an actual council, which met weekly under my chairmanship, was very great in the period of the emergency which then confronted the country, but as time has gone on it no longer operates as a council but does continue to carry on important activities which are indispensable to the President of the United States, as well as to other branches of the Government and the public. It maintains an information service and a press intelligence service, it publishes the United States Government Manual, and it carries on through State and central staffs an important work of coordinating and reporting.

The information service makes available general information concerning all phases of governmental activity and is provided for all who submit questions or inquiries by mail, by telephone, or by personal call. In one sense, it may be called a post-office address—"Uncle Sam, Post Office Box No. 1, Washington, D. C."—to which persons who want information about the Government but do not know the exact division or agency of the Government to which to apply may write with confidence that their questions will be answered or else sent on to the proper agency for direct reply.

The press intelligence service carried on in the Council is not a service for giving intelligence to the press but rather for making available to responsible persons in the Government, both in the executive and in the legislative branches, a clipping service which shows what the press of the country has printed. The partial consolidation of clipping services in this unit—a consolidation which should go further—already has resulted in economy and convenience. A clipping service of this kind, on a smaller scale, was maintained for many years in the White House, but it was not then available to other branches of the Government. Its return to the White House, with the additional feature of availability to all the rest of the Government, will promote efficiency without violating tradition.

The publication of the United States Government Manual makes available to every citizen a simplified textbook of information as to the organization and availability of the Federal agencies. Published in loose-leaf form, it is sold by the Superintendent of Documents of the Government Printing Office.

The coordinating and reporting functions of the Council have to do with the presentation to the President of factual information, independently gathered, as to the progress and effect of our governmental activities. Through its State offices the Council has been able to facilitate the various

Federal programs particularly with respect to State and local governments.

The plan also includes certain general provisions in order to accomplish fully the purposes of the act. In addition to the transfer of bureaus and other units, it is necessary also to transfer certain functions of heads of departments; to transfer records, property, and personnel; to transfer funds; and to provide that the power of appointment occasionally, and sometimes apparently quite accidentally, vested in a subordinate official of a department, shall be vested in the head of the department. It is impossible to exercise the proper direction and supervision over subordinate units unless the definite power of appointment, fixing of compensation, transfer, and promotion or dismissal of personnel is vested in the principal responsible head. In no other way can the purpose of consolidating similar functions under a single head as required by the act be accomplished in practice.

It is one of the five purposes of the Reorganization Act "to reduce expenditures to the fullest extent consistent with the efficient operation of the Government." This is an important purpose in each phase of the plan here presented. The Reorganization Act prohibits abolishing functions—in other words, basic services or activities performed. Therefore, the reduction in expenditures must necessarily be brought about chiefly in the overhead administrative expenses of the agencies affected. In a great many cases the economies to be effected by reorganization plan No. II will be the result of improved efficiency, which will, as the plan works out, require fewer persons to perform the work or will require the employment of less temporary assistance.

In the case of the consolidation of the foreign services, it is estimated that the administration by a single administrative unit in the Department of State will achieve a saving of \$20,000 a year and that consolidation of the three field forces will make it possible to drop alien employees and, by a more effective use of personnel, to save an additional \$100,000 a year when the readjustments have been made.

The total administrative expense of all of the agencies affected by this plan is about \$25,000,000 per annum.

The reduction of such expenditures, which it is probable will be brought about by the taking effect of the reorganizations specified in the plan, is estimated at \$1,250,000 per annum. Certain of these economies can be brought about at once. Others will require a gradual readjustment in machinery and business practices of the agencies affected.

May I repeat what I said in my message transmitting reorganization plan No. I, that in this as in future reorganization plans not every person will agree on each and every detail. Out of the many groupings and regroupings proposed, a few of the individual agencies conceivably could be placed elsewhere, but I have been seeking to consider the functional purpose of each agency as required by the Reorganization Act itself and have made this plan with the sole purpose of improving the service rendered by the Government to its citizens in accordance with the purposes set out in the act.

In view of the fact that it is now May 9, and that any reorganization plan must lie before the Congress for 60 calendar days, and because the reorganizations of an intradepartmental character require a great deal of research and careful painstaking detail work, I do not propose to send any further general reorganization plans to the Congress at this session.

However, there are certain transfers, abolitions, and consolidations of committees, commissions, and boards which I propose to do by means of Executive and military orders under existing law as complementary to reorganization plan No. II when it becomes effective.

Then, also, by mere administrative procedure, some small agencies which have been listed in various publications as independent establishments, but whose independence has no basis in law or in formal Executive or military orders, may be reassigned to an appropriate placement by administrative procedure on the part of their respective heads.

Not all of the interdepartmental transfers and consolidations that are necessary and desirable have been accomplished in this reorganization plan No. II. I am directing the Bureau of the Budget to study these problems in order that they may be included in plans to be transmitted to the Congress at its next session.

For example, in order to save money and to do the work more efficiently there are some units which should be divided so that a part of the work may be done by one agency and a part by another. Take, for example, the business of mapping. It is obviously important that the work of making surveys and accumulating data for maps should be done in the various agencies which are concerned primarily with the purpose for which the map is being drawn. On the other hand, the business of manufacturing maps might very well be consolidated in order to save money and to manufacture better maps.

I have considered the desirability of transferring the jurisdiction over deportable aliens from the Immigration and Naturalization Service in the Department of Labor to the Department of Justice, but I find that this matter will require further study, or perhaps legislation, and therefore it is not included in this plan.

I have also considered the problem of certain public lands insofar as they present overlapping jurisdiction between the Departments of the Interior and Agriculture.

Insofar as crops, including tree crops, are involved there is something to be said for their retention in the Department of Agriculture. But where lands are to be kept for the primary purpose of recreation and permanent public use and conservation they fall more logically into the Department of the Interior.

I hope to offer a reorganization plan on this early in the next session.

There are other types of work carried on in the Federal Government where it may prove necessary and desirable to divide the functions now being carried on by a particular unit so as the better to serve the basis purpose for which the work was undertaken. Such problems I shall continue to study with the view of sending other reorganization plans involving both interdepartmental and intradepartmental reorganizations to the Congress at its next session.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, May 9, 1939.

REORGANIZATION PLAN NO. II

(Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, May 9, 1939, pursuant to the provisions of the Reorganization Act of 1939, approved April 3, 1939)

PART 1. DEPARTMENTS

SECTION 1. State Department; Transfers and consolidations relating to the Department of State are hereby effected as follows:

(a) Foreign Commerce Service and Foreign Agricultural Service: The Foreign Commerce Service of the United States and its functions in the Bureau of Foreign and Domestic Commerce of the Department of Commerce and the Foreign Agricultural Service of the United States and its functions as established by the act of June 5, 1930 (46 Stat. 497), in the Department of Agriculture are hereby transferred to the Department of State and shall be consolidated with and administered as a part of the Foreign Service of the United States under the direction and supervision of the Secretary of State.

(b) Functions of the Secretary of Commerce and the Secretary of Agriculture transferred to the Secretary of State; exceptions: The functions of the Secretary of Commerce with respect to the Foreign Commerce Service and the functions of the Secretary of Agriculture with respect to the Foreign Agricultural Service (other than functions with respect to such services pertaining to activities in the United States and to the compilation, publication, and dissemination of information) are hereby transferred to, and shall be exercised by, the Secretary of State, except and provided that under regulations prescribed by the President—

(1) The Secretary of State shall cause to be made such investigations relating to commercial and industrial conditions and activities in foreign countries and such other specific investigations relating to foreign commerce as the Secretary of Commerce shall determine to be in the public interest, and shall report to the Secretary of Commerce the results of, and the information secured through, such investigations. He shall also cause to be made such investigations relating to world competition and demand for agricultural products, to production, marketing, and disposition of such products in foreign countries, and to farm

management and other phases of agricultural industry in foreign countries, and shall conduct abroad such activities (including the demonstration of standards for cotton, wheat, and other American agricultural products), as the Secretary of Agriculture shall determine to be in the public interest, and shall report to the Secretary of Agriculture the results of, and the information secured through, such investigations and activities.

(2) The Secretary of Commerce may from time to time when he deems it in the public interest designate any officer in his Department to render temporary service under the provisions of, and subject to the conditions named in, section 5 of the act of March 3, 1927 (44 Stat. 1396).

(3) The Secretary of Agriculture may from time to time when he deems it in the public interest designate any officer in his Department to render temporary service under the provisions of, and subject to the conditions named in, section 2 of the act of June 5, 1930 (46 Stat. 498).

(4) The Secretary of Commerce and the Secretary of Agriculture may each designate an officer in his Department, acceptable to the Secretary of State, to serve in the Department of State as liaison officer in connection with the administration of the foreign service of the United States.

(5) One officer in the Department of Commerce designated by the Secretary of Commerce and acceptable to the Secretary of State and one officer in the Department of Agriculture designated by the Secretary of Agriculture and acceptable to the Secretary of State shall be added to the membership of the Board of Foreign Service Personnel for the Foreign Service.

(c) Status of Foreign Service officers: Foreign Commerce Service officers and Foreign Agricultural Service officers who by reason of transfer to the Foreign Service of the United States and by appointment according to law acquire status of Foreign Service officers therein shall not be included in the total number of officers in such Service for the purpose of determining the percentage limitation established by section 10 of the act of February 23, 1931 (46 Stat. 1207), as amended.

(d) China Trade Act registrar: Such officer of the Foreign Service as the Secretary of State shall make available for that purpose may be authorized by the Secretary of Commerce to perform the duties of China Trade Act registrar provided for in the act of September 19, 1922 (42 Stat. 849), under the direction of the Secretary of Commerce.

(e) Foreign Service Buildings Commission: The Foreign Service Buildings Commission and its functions are hereby transferred to the Department of State. The Commission shall exercise advisory functions, but all other functions (including administrative functions) shall be exercised under the direction and supervision of the Secretary of State by such division, bureau, or office in the Department of State as the Secretary shall determine.

Sec. 2. Treasury Department: Transfers, consolidations, and abolitions relating to the Department of the Treasury are hereby effected as follows:

(a) Bureau of Lighthouses: The Bureau of Lighthouses in the Department of Commerce and its functions are hereby transferred to and shall be consolidated with and administered as a part of the Coast Guard in the Department of the Treasury.

(b) Director General of Railroads: Office abolished and functions transferred: The office of Director General of Railroads is hereby abolished. The functions and duties of the Director General of Railroads are hereby transferred to the Secretary of the Treasury to be exercised and performed by him personally or through such officer or officers of the Department of the Treasury as he may authorize. The Secretary of the Treasury is hereby designated as the agent provided for in section 206 of the Transportation Act, 1920 (41 Stat. 461).

(c) War Finance Corporation abolished: All of the functions, property, and obligations of the War Finance Corporation not heretofore transferred by statute to the Secretary of the Treasury are hereby transferred to the Department of the Treasury. The War Finance Corporation is hereby abolished and the Secretary of the Treasury shall complete the winding up of its affairs and shall dispose of its assets in accordance with the act of March 1, 1929 (45 Stat. 1442), not later than December 31, 1939.

Sec. 3. Department of Justice: Transfers, consolidations, and abolitions relating to the Department of Justice are hereby effected as follows:

(a) Federal Prison Industries, Inc.: The Federal Prison Industries, Inc. (together with its board of directors), and its functions are hereby transferred to the Department of Justice and shall be administered under the general direction and supervision of the Attorney General.

(b) National Training School for Boys: The National Training School for Boys and its functions (including the functions of its board of trustees) are hereby transferred to the Department of Justice and shall be administered by the Director of the Bureau of Prisons, under the direction and supervision of the Attorney General.

(c) Board of trustees of the National Training School for Boys abolished: The board of trustees of the National Training School for Boys (including the consulting trustees) is hereby abolished.

Sec. 4. Department of the Interior: Transfers, consolidations, and abolitions relating to the Department of the Interior are hereby effected as follows:

(a) Functions of the National Bituminous Coal Commission transferred: The functions of the National Bituminous Coal Commission (including the functions of the members of the Commission) are hereby transferred to the Secretary of the Interior, to be

administered under his direction and supervision by such division, bureau, or office in the Department of the Interior as the Secretary shall determine.

(b) National Bituminous Coal Commission abolished: The National Bituminous Coal Commission and the offices of the members thereof are hereby abolished and the outstanding affairs of the Commission shall be wound up by the Secretary of the Interior.

(c) Office of consumers' counsel abolished and functions transferred: The office of consumers' counsel of the National Bituminous Coal Commission is hereby abolished and its functions are transferred to, and shall be administered in, the office of the Solicitor of the Department of the Interior under the direction and supervision of the Secretary of the Interior.

(d) Bureau of Insular Affairs: The Bureau of Insular Affairs of the War Department and its functions are hereby transferred to the Department of the Interior and shall be consolidated with the Division of Territories and Island Possessions in the Department of the Interior and administered in such division under the direction and supervision of the Secretary of the Interior. The office of the Chief of the Bureau and offices subordinate thereto provided for in section 14 of the act of June 4, 1920 (41 Stat. 769), are hereby abolished and all of the functions of such offices are transferred to, and shall be exercised by, the Director of the Division of Territories and Island Possessions.

(e) Bureau of Fisheries: The Bureau of Fisheries in the Department of Commerce and its functions are hereby transferred to the Department of the Interior and shall be administered in that Department under the direction and supervision of the Secretary of the Interior. The functions of the Secretary of Commerce relating to the protection of fur seals and other fur-bearing animals, to the supervision of the Pribilof Islands and the care of the natives thereof, and to the Whaling Treaty Act are hereby transferred to, and shall be exercised by, the Secretary of the Interior.

(f) Bureau of Biological Survey: The Bureau of Biological Survey in the Department of Agriculture and its functions are hereby transferred to the Department of the Interior and shall be administered in that Department under the direction and supervision of the Secretary of the Interior. The functions of the Secretary of Agriculture relating to the conservation of wildlife, game, and migratory birds are hereby transferred to, and shall be exercised by, the Secretary of the Interior. The provisions of the act of May 18, 1934 (c. 299, 48 Stat. 780), as amended by the act of February 8, 1936 (c. 40, 49 Stat. 1105), insofar as they relate to officers or employees of the Department of Agriculture designated by the Secretary of Agriculture to enforce any act of Congress for the protection, preservation, or restoration of game and other wildlife and animals shall apply to officers and employees of the Department of the Interior designated by the Secretary of the Interior to exercise and discharge such duties.

(g) Officers of Biological Survey may administer oaths: The provisions of the act of January 31, 1925 (c. 124, 43 Stat. 803), shall be applicable to such officers, agents, or employees of the Department of the Interior performing functions of the Bureau of Biological Survey as are designated by the Secretary of the Interior for the purposes named in the act.

(h) Migratory Bird Conservation Commission: The Secretary of the Interior shall be chairman of the Migratory Bird Conservation Commission and the Secretary of Agriculture shall be a member thereof.

(i) Mount Rushmore National Memorial Commission: The Mount Rushmore National Memorial Commission and its functions are hereby transferred to the National Park Service in the Department of the Interior. The functions vested in the Commission by sections 3 and 4 (a) of the act of June 15, 1938 (c. 402, 52 Stat. 694), shall continue to be exercised by the Commission. All other functions of the Mount Rushmore National Memorial Commission shall be administered by the National Park Service under the direction and supervision of the Secretary of the Interior.

Sec. 5. Department of Agriculture—Rural Electrification Administration transferred: The Rural Electrification Administration and its functions and activities are hereby transferred to the Department of Agriculture and shall be administered in that Department by the Administrator of the Rural Electrification Administration under the general direction and supervision of the Secretary of Agriculture.

Sec. 6. Department of Commerce: Transfer of Inland Waterways Corporation: The Inland Waterways Corporation and all of its functions and obligations are hereby transferred to the Department of Commerce and shall be administered in that Department under the supervision and direction of the Secretary of Commerce. The capital stock of the Corporation shall continue to be held for the United States by the Secretary of the Treasury, but all other functions, rights, privileges, and powers, and all duties and liabilities of the Secretary of War relating to the Inland Waterways Corporation are hereby transferred to, and shall be exercised, performed, and discharged by, the Secretary of Commerce. The Secretary of Commerce shall be substituted for the Secretary of War as, and shall be deemed to be, the incorporator of the Inland Waterways Corporation.

PART 2. INDEPENDENT AGENCIES

Sec. 201. Federal Security Agency: Transfers and consolidations relating to the Federal Security Agency are hereby effected, as follows:

(a) Radio service and United States film service transferred: The functions of the Radio Division and the United States film service of the National Emergency Council are hereby transferred

to the Federal Security Agency and shall be administered in the Office of Education under the direction and supervision of the Federal Security Administrator.

(b) American Printing House for the Blind: The functions of the Secretary of the Treasury with respect to the administration of the appropriations for the American Printing House for the Blind (except the function relating to the perpetual trust fund) are hereby transferred to the Federal Security Agency and shall be administered under the direction and supervision of the Federal Security Administrator. The annual report and vouchers required to be furnished to the Secretary of the Treasury by the trustees of the American Printing House for the Blind shall be furnished to the Federal Security Administrator.

SEC. 202. National Archives: Transfers, consolidations, and abolitions relating to the National Archives are hereby effected as follows:

(a) Functions of Codification Board transferred: The functions of the Codification Board, established by the act of June 19, 1937 (50 Stat. 304), are hereby transferred to The National Archives and shall be consolidated in that agency with the functions of the division of the Federal Register and shall be administered by such division under the direction and supervision of the Archivist.

(b) Codification Board abolished: The Codification Board is hereby abolished and its outstanding affairs shall be wound up by the Archivist through the division of the Federal Register in The National Archives.

PART 3. EXECUTIVE OFFICE OF THE PRESIDENT

SEC. 301. Transfers and abolitions relating to the Executive Office of the President are hereby effected as follows:

(a) Functions of National Emergency Council transferred: All functions of the National Emergency Council other than those relating to radio service and film service (transferred by section 201 (a) of this plan to the Federal Security Agency) are hereby transferred to the Executive Office of the President and shall be administered under the direction and supervision of the President.

(b) National Emergency Council abolished: The National Emergency Council is hereby abolished and its outstanding affairs shall be wound up under the direction and supervision of the President.

PART 4. GENERAL PROVISIONS

SEC. 401. Transfer of functions of heads of departments: Except as otherwise provided in this plan, the functions of the head of any department relating to the administration of any agency or function transferred from his department by this plan, are hereby transferred to, and shall be exercised by, the head of the department or agency to which such transferred agency or function is transferred by this plan.

SEC. 402. Transfer of records, property, and personnel: All records and property (including office equipment) of the several agencies, and all records and property used primarily in the administration of any functions, transferred by this plan and, except as otherwise provided, all the personnel used in the administration of such agencies and functions (including officers whose chief duties relate to such administration) are hereby transferred to the respective departments or agencies concerned, for use in the administration of the agencies and functions transferred by this plan: *Provided*, That any personnel transferred to any department or agency by this section found by the head of such department or agency to be in excess of the personnel necessary for the administration of the functions transferred to his department or agency shall be retransferred under existing law to other positions in the Government service, or separated from the service subject to the provisions of section 10 (a) of the Reorganization Act of 1939.

SEC. 403. Transfer of funds: So much of the unexpended balances of appropriations, allocations, or other funds available for the use of any agency in the exercise of any function transferred by this plan, or for the use of the head of any department or agency in the exercise of any function so transferred, as the Director of the Bureau of the Budget with the approval of the President shall determine, shall be transferred to the department or agency concerned for use in connection with the exercise of the function so transferred. In determining the amount to be transferred the Director of the Bureau of the Budget may include an amount to provide for the liquidation of obligations incurred against such appropriations, allocations, or other funds prior to the transfer: *Provided*, That the use of the unexpended balances of appropriations, allocations, or other funds transferred by this section shall be subject to the provisions of section 4 (d) (3) and section 9 of the Reorganization Act of 1939.

SEC. 404. Transfer of functions relating to personnel: Except as prohibited by section 3 (b) of the Reorganization Act of 1939, all functions relating to the appointment, fixing of compensation, transfer, promotion, demotion, suspension, or dismissal of persons to or from offices and positions in any department vested by law in any officer of such department other than the head thereof are hereby transferred to the head of such department and shall be administered under his direction and supervision by such division, bureau, office, or persons as he shall determine.

The SPEAKER. The message of the President is referred to the Select Committee on Government Organization and ordered to be printed with accompanying papers.

Mr. GIFFORD. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GIFFORD. Mr. Speaker, would a motion be in order that the message of the President be sent in its various parts to the appropriate committees of the House with a request that they report to the Select Committee on Government Organization?

This message is all-embracing, it embraces all things terrestrial and aquatic. The last message of the President dealing with Government organization was referred to the Select Committee but no hearings were held, no consideration was given to its ramifications and implications. Would a motion be in order that the several parts of the President's message be referred to the appropriate committees for recommendation?

The SPEAKER. The Chair is of the opinion that the motion would not be in order. The Reorganization Act of 1939 in section 23 places discretion in the Speaker to refer these messages to the Select Committee, and this has just been done.

Mr. COX. Mr. Speaker, I ask unanimous consent to address the House for one-half minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. COX. Mr. Speaker, in the President's reorganization plan just reported I find much that pleases me tremendously. On its face it is ideal. I believe it to be a clear, fair, and masterful handling of the problem, and I trust no opposition will develop. [Applause.]

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. COCHRAN. Mr. Speaker, I feel that the message of the President will be welcomed by the American public just as the first plan was welcomed, which the House approved by a very large majority.

Answering the gentleman from Massachusetts [Mr. GIFFORD], let the House distinctly understand that a resolution of disapproval was introduced by the gentleman from New York [Mr. TABER]. Under the rules of the House, such a resolution must be acted upon within 1 week's time by the committee to which it was referred. If it had not been acted upon within that time, it automatically became a matter of the highest privilege. The gentleman from New York could have taken the floor, moved its consideration, and he would then have controlled the time. That is the reason that matter was disposed of in the manner in which it was. Therefore no criticism should be directed to the committee for bringing in that adverse report; it was absolutely necessary under the rules of the House.

I repeat, Mr. Speaker, that as soon as the American public have read the message just submitted, it will be universally approved by the press and the taxpayers of this country, as was the first message. [Applause.]

[Here the gavel fell.]

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein a short speech on peace made on yesterday by His Royal Highness the Duke of Windsor.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include therein a copy of a bill I have introduced.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. O'TOOLE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include therein

an address made by my colleague the gentleman from New York [Mr. KEOGH].

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GILLIE. Mr. Speaker, I ask unanimous consent to include in my remarks of this morning three letters and two editorials.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HENDRICKS. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. CURLEY] may have permission to extend his remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. MAPES. Mr. Speaker, I ask unanimous consent that on next Tuesday the gentleman from New York [Mr. LORD] may address the House for 15 minutes after the disposition of the legislative program for the day and any previous special orders.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER. Under the previous order of the House the gentleman from New York [Mr. DICKSTEIN] is recognized for 20 minutes.

Mr. DICKSTEIN. Mr. Speaker, we must not allow the spread of any system of espionage which may prove as harmful to us now as it did when this country was at war with Germany in 1917 and 1918. Our vital national-defense secrets must not come into the hands of any foreign nations. The continued existence of Nazi camps in the United States and the inculcating of foreign ideologies into children born of foreign parents is particularly harmful and may be destructive to this country as a whole. The German Government maintains a thorough organization in Stuttgart, where every person of German blood is listed and cataloged.

In last Sunday's issue of the New York Herald Tribune this system was described in great detail. It was shown how every person in the United States whose name sounds German will receive some sort of communication from the foreign office in Stuttgart. It may be only a pamphlet telling him about the beauties of the fatherland, or it may be a Christmas card or an Easter card. The purpose of any such communication is to preserve inviolate the ties binding native Americans to their ancestral home. The organization is concerned with listing all of the resources owned by German-Americans, and whether or not the eventual desire is to levy a tax on American citizens of German origin, there is no question but that the office operates efficiently and that they have in their files hundreds of thousands of names of persons who, in the event of war, might be used to the detriment of the United States.

I do not wish to appear as an alarmist and do not wish to create a bogey to frighten our people by reading the article I have just mentioned, but I cannot refrain from comparing the methods of the German office in Stuttgart with those of German-American Bund in this country. Both organizations seem to be concerned with one object, and that is to keep alive artificially an attachment to the country from which our citizens of German extraction have long since emigrated and with which they have absolutely no ties.

I know that the bulk of our Americans of German origin are patriotic and sincerely devoted to the interests of the United States, and that there is no divided loyalty among them. The exceptions which are found in the membership of the German-American Bund and other similar organizations do not destroy my faith in Americans of German blood. Simply because the bulk of the population are patriotic and liberty loving, however, we must not close our eyes to the fact that there are hundreds of thousands who are not. And it is with these traitors to America that our people must cope and whom they must eradicate from our midst.

I am sure my good friend from Texas [Mr. DIES] should by this time be fully aware of the danger and be alert to every possible opportunity to stamp it out. I am sure the Committee on Un-American Activities has found sufficient material to propose proper legislation to do away with the easy-going manner used by our Government in prosecuting and convicting spies.

Let us hope that as a result of its labors and the intense alertness of our citizens, we will not permit America to become the clearing house for spies in the event affairs in Europe will result in another devastating war. But even the nondescript public release of a few weeks ago could not very well overlook the fact that Nazi camps are the seat of sedition against our Government; that there leaders indulge in fiery speeches against inoffensive citizens of our Government and under the guise of combating communism preach quite openly doctrines of totalitarianism, extolling fascism in one form or another.

I believe that a search of all the available files in our Department of Justice as well as proper reading of our daily newspapers will convince us that we must not become indifferent to the continuance of espionage on our soil.

Mr. Speaker, for some weeks past the press has been carrying news and headlines relating to the strength of the Nazi movement in the United States. It seems that a release which gained some publicity put the total number of all Nazis and members of the bund at between 6,600 and 8,300 individuals. This figure appears to be so ridiculously low that I cannot refrain from stating on the floor of this House how impossible it is. To place the strength of the German-American Bund at this low figure is to do an injustice to America, because the impression is allowed to go abroad that there is no real danger from this quarter to the continuance of our institutions or to the well-being of our citizens. Such is not the case, however.

Let us see how these figures were actually obtained. Agents of the Department of Justice went to this so-called leader of the bund, Fritz Kuhn, and asked him, "How many members have you got?" And he answered, "Between 6,000 and 8,000." So the so-called investigators put down between 6,000 and 8,000 without even going through any of the documents, the books, or papers of the organization to check up on the actual membership. Mr. Kuhn's statement to the Department of Justice was a direct contradiction to previous statements of his bragging of a membership of 200,000, without the women's auxiliary and without the so-called youth camps in this country.

The country as a whole and the Dies committee swallowed that hook, line, and sinker. They are satisfied.

Mr. HAWKS. Will the gentleman yield?

Mr. DICKSTEIN. I yield to the gentleman from Wisconsin.

Mr. HAWKS. Does not the gentleman realize it was published in the paper the other day that there are admittedly over 6,000,000 Communists in this country?

Mr. DICKSTEIN. That is poppycock. It is ridiculous, and the gentleman could not establish it.

Mr. HAWKS. I think I could.

Mr. DICKSTEIN. You establish that and I will present a pedestal for you if I am alive. Do not give me those figures without any proof, because there has been too much hot air, there have been too many unsubstantiated charges from Members on both sides of the aisle on aliens and Communists. If there are 6,000,000 Communists in this country, they are dangerous, and we ought to get rid of them.

Mr. HAWKS. Why does the gentleman continue the "hot air", then?

Mr. DICKSTEIN. For your information, I do not consider my statements on the bund "hot air," because I have evidence to support them.

Mr. Speaker, as I said before, there is no question that the number of adherents of the bund is decidedly greater. Early this year a former operative of the Department of Justice, Leon J. Turrou, published a book entitled "Nazi Spies in America," in which he shows the wide ramifications of the German spy system in this country and the part which the

German-American Bund plays in the cooperative help given to this foreign government.

You see, our public investigation of this menace has barely scratched the surface. We went through a long-drawn trial of German spies in the city of New York, and all we were able to convict were a few underlings working under orders from Berlin. The real heads of the spy system are either beyond our reach or out of the United States.

Nothing has been done by any committee or any governmental agency to destroy this menace in our country.

Mr. Speaker, I know the Members are not interested in any leader who represents a foreign government. You do not like Fritz Kuhn, and I do not like him. You do not like Communists, and I do not like them. But are we doing anything constructive to get rid of them?

Let me tell you something: Fritz Kuhn, who is the leader of the German-American Bund, has been in this country since 1932. I have some definite information, and I want to address my remarks to the members of the Rules Committee who happen to be present. Fritz Kuhn came here in 1932. He did not come to New York. He fled from Germany to Mexico as a criminal, having been guilty of a crime involving moral turpitude. He had to leave Germany. He got to Mexico and presented himself to the American consul there, making application to enter the United States under the German quota. He told a falsehood, namely, that he had never been convicted of any crime. He then came to the United States after having stated that falsehood. This may also help the committee which is investigating un-American activities.

He applied for citizenship in Detroit in 1934, and again stated he had never been convicted of a crime. He obtained his citizenship, not because he desired to become an American citizen but because he wanted the protection of the Government of the United States to carry on his un-American activities right under our noses.

Mr. Speaker, I have that proof, but what I need is a subpoena to bring these people in to identify Fritz Kuhn, to show that he is the one who committed certain crimes in Germany before entering the United States; to show that he is the same Fritz Kuhn who stole 3,000 or more marks worth of merchandise in Germany and that he is the same person who was convicted and served 4 months in prison for larceny. I appeal to the members of the Rules Committee in the name of this country. Give me a rule and give me some power to subpoena the persons who will not only identify Fritz Kuhn as the same person who entered this country through subterfuge but that he is also the same Fritz Kuhn who is now leading 200,000 so-called bund members in an attack upon democracy and our cherished form of government.

Mr. MOTT. Will the gentleman yield?

Mr. DICKSTEIN. I yield to the gentleman from Oregon.

Mr. MOTT. What would be the remedy if the gentleman did establish the fact that Fritz Kuhn entered the United States upon a false affidavit, that did not state he had been convicted of a crime?

Mr. DICKSTEIN. I am happy to answer that question. My answer is that he would be deportable. He would be deported back to Germany, where he could carry on his so-called bund or Nazi business among his fellow countrymen.

Mr. MOTT. But he is a citizen now.

Mr. DICKSTEIN. True. But if my committee or anybody else can establish the fact that he had been guilty of a crime involving moral turpitude, and that he did not state that fact in his affidavit, he could not have become a citizen of the United States.

Mr. MOTT. No; but since he did, is there any provision in existing law whereby his citizenship can be canceled and he can be subject to deportation?

Mr. DICKSTEIN. Yes; on petition by the department, if it can be established that he has failed to disclose the true facts in the case.

Mr. MOTT. May I ask another question? If the gentleman has these facts, as he has stated—and I am sure he has them—why does he not present them to the Department

of Justice and let the Department proceed in the regular manner?

Mr. DICKSTEIN. I tried that. The gentleman is a lawyer, I assume. There are certain people now here from Germany from whom Fritz Kuhn stole money. If I had the power of subpoena I would subpoena those persons, first, to identify Fritz Kuhn as the person who committed that crime, and secondly, to prove his criminal record before his entry into the United States. These persons should be brought here or some place else to testify under oath as to the actual events that took place in Germany. Thirdly, it can be shown that he entered this country through fraud and is therefore subject to deportation since the statute of limitations does not run against fraud. He obtained his citizenship papers on a false petition since he stated therein that he had never been convicted of a crime involving moral turpitude. We can establish by these witnesses, that this is the same Fritz Kuhn who is guilty of a crime involving moral turpitude.

Mr. MOTT. The Department of Justice has jurisdiction to subpoena these persons. Why does not the gentleman present this information to the Department?

Mr. DICKSTEIN. The gentleman has been very active in the last 5 years in asking me questions along this line. I believe I have made myself very plain that the Department of Justice has no power to issue subpoenas. I have said that on this floor, I think, a dozen times. The Department of Justice has no power of subpoena, and the Department of Justice cannot do all the things one might lay at its door. Unless there is a crime committed interstate or there is a violation of the law that you have empowered them to investigate, the Department has no jurisdiction. Therefore, I submit to the gentleman that all we need—and I do not care personally; I am merely presenting the facts—is a little power from the Rules Committee under the Schulte resolution to subpoena all these people who can identify Mr. Fritz Kuhn, who is the leader of the Nazi movement in the United States and a representative of the Hitler ideology in this country; to identify him as the same Fritz Kuhn who is guilty of an offense involving moral turpitude committed in Germany prior to his entry into the United States.

Mr. SMITH of Virginia. Mr. Speaker, will the gentleman yield?

Mr. DICKSTEIN. I yield to the distinguished gentleman from Virginia.

Mr. SMITH of Virginia. Does not the gentleman believe that from his experience as chairman of the Committee on Immigration he could draft a law which would effectuate the purpose he has in mind; that is, getting rid of undesirable aliens, without having to come to Congress and ask for a special investigation to determine the facts relative to each individual case? I am sure if the gentleman put his mind to it he could draft a law and report it out of his committee that would remedy the situation not only as to Fritz Kuhn but a great many other undesirable and criminal aliens in this country. I believe I can safely assure the gentleman that if he will direct his energies in that direction he will have no difficulty in getting a rule from the Rules Committee for the consideration of such a bill, and we will have no difficulty in passing it on the floor of this House.

Mr. DICKSTEIN. I have great admiration for my friend, the distinguished gentleman from Virginia, but if the gentleman from Virginia, and a few more gentlemen who seem to control the Rules Committee, would just go a little bit my way and cooperate with me I would be more than happy to cooperate with them to bring about the making of such a study as may be required to remedy the situation.

May I say to the gentleman that it is not my purpose to trespass on any of the rights of the Dies committee. I have great admiration for all the members of that committee and their activities. I want to go into the question of naturalization, the smuggling into this country of aliens, and other matters that I believe we ought to go into, which we have not had a chance to do for 31 years. I may say to the gentleman that if he will subpoena these people to Washington

or anywhere else they will give definite and positive evidence under oath that this so-called Nazi bund leader, who is a menace to this country, more so than the gentleman believes, is the same man who is guilty of a crime involving moral turpitude. I would like to deport him. I would like to set an example to all such persons, including some of the Communists who act along the same lines, and some of the leaders of the Communists. We have no use for them in this country. Give me something on which I can build a case before I can bring a bill before this Congress so the gentleman and other Members of the Congress will have a chance to vote for it.

Mr. SMITH of Virginia and Mr. HAWKS rose.

Mr. DICKSTEIN. I yield to the gentleman from Virginia.

Mr. SMITH of Virginia. I believe if the gentleman will support the bill I have introduced, H. R. 5138, he will accomplish the major purpose he has in mind. I can speak only for myself as a member of the Rules Committee, but I can assure the gentleman that any matter he brings before that committee which has to do with getting rid of undesirable aliens, and that I believe will accomplish that purpose, will meet with support.

Mr. DICKSTEIN. Let me say this to my colleague: Here is Fritz Kuhn. You do not like Fritz. He represents an organization that is Fascist in character and is trying to destroy your Government and mine. Here is a chance to deport Fritz back to Germany to carry on his activities there.

Mr. SMITH of Virginia. I want to help the gentleman.

Mr. DICKSTEIN. Then please give me a rule.

Mr. SMITH of Virginia. I want to help the gentleman get rid of Harry Bridges, too, but let us pass some law that will do it; and we can pass a law without any further investigation.

Mr. DICKSTEIN. I do not quite agree with the gentleman. Let me say to the gentleman I would not care if he gave me no power. It does not mean anything to me. I am not seeking to get into the headlines. They mean nothing to me.

I am not a candidate for President, nor am I interested in having clubs all around the country boost me for some other office. I am just a simple, humble citizen and a member of this honorable body. I come here to tell you now, as I have done in the last 4 or 5 years, just what is going on in this country. You and others pay very little attention to it. Sure enough, we created a committee and everything was hunky-dory and they were given \$100,000 and \$125,000. Now I am not asking for any money. I am simply asking you to give me some power to destroy the agents of foreign governments in this country who are obtaining their citizenship papers under false pretenses or under false premises. As a lawyer you know that there is no one who can pass a bill on this floor by simply coming in here and saying that this ought to be done.

They must develop some definite proof as to why it should be done, and you and I know that a number of bills that should have been passed when brought up on the floor here were defeated simply because they had the word "immigration" in them.

Mr. HAWKS. Mr. Speaker, will the gentleman yield?

Mr. DICKSTEIN. I yield for a brief question.

Mr. HAWKS. Can the gentleman tell the House how we are going to deport an American citizen when for the past several years we have been unable to deport an alien, namely, Mr. Bridges?

Mr. DICKSTEIN. I do not know whether the gentleman is a lawyer or not, but I assume he is.

Mr. HAWKS. No, thank God.

Mr. DICKSTEIN. You do not have to thank God; we thank you. [Laughter.]

What the gentleman ought to get first is that a man who obtains his papers under false pretenses is not a citizen in the true sense of the word and that his papers could be canceled. If a petition is presented, upon proper legal evidence before a court that this man has failed to disclose a material fact, his papers are canceled, and this can be done

by the Department of Labor. The next step is, that if a person obtained his admission by fraud, not being entitled to come to this country because he was guilty of an offense involving moral turpitude, in that he was convicted in his own country of larceny or some other crime which would have excluded him from this country had he disclosed the true facts—if he is guilty of either of these two charges, we can dispose of him by canceling his citizenship papers and deporting him. This would apply to Fritz Kuhn as well as to others who find themselves in similar circumstances.

Mr. HAWKS. Will that include Mr. Bridges?

Mr. DICKSTEIN. If you can find a way to deport him I will help you to do so. I have no use for Bridges.

Mr. HAWKS. It should be easier to deport him than a man who is a citizen.

Mr. DICKSTEIN. Maybe the gentleman can show us some way by which the House can do it.

Mr. HAWKS. Probably I could.

Mr. DICKSTEIN. Mr. Speaker, the Schulte resolution I referred to has been pending before the Rules Committee and should be considered. I have no quarrel with anyone, but we should be given an opportunity to check on these matters.

[Here the gavel fell.]

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to proceed for 1 additional minute.

The SPEAKER pro tempore [Mr. O'TOOLE]. Under a previous order of the House the gentleman from Ohio [Mr. JENKINS] has 30 minutes to address the House.

Mr. JENKINS of Ohio. I have no objection to the request, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DICKSTEIN. Mr. Speaker, if we want to accomplish anything at all, we have to give these problems more serious consideration. Members of this House may not always agree upon the methods to be used in dealing with this important issue, but there ought to be some way of meeting the common enemy of our form of government.

I submit these facts for your consideration because I believe that if you will cooperate with the Committee on Immigration, without interfering or trespassing upon the prerogatives of any other committee of this House, we can definitely and positively eradicate the menace of nazi-ism, fascism, and communism.

[Here the gavel fell.]

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that the address I made today may be printed in the Appendix instead of the body of the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER pro tempore. Under the previous order of the House the gentleman from Ohio [Mr. JENKINS] is recognized for 30 minutes.

Mr. JENKINS of Ohio. Mr. Speaker, in the time allotted to me I shall try to touch on some of the social and legislative problems arising from the establishment of the T. V. A. and from its policies and activities. I shall scarcely have time to treat any one single problem exhaustively.

To the older Members of Congress, Muscle Shoals and the Tennessee Valley Authority are old subjects, and what I say probably will not even be interesting to them. However, as the new Members represent a cross-section of the American public, they no doubt have many times wondered just what the T. V. A. is.

I have a map upon which I might be able to point out the physical T. V. A. and the scope of its activities from a geographical standpoint. In the first place, you will note from these State boundary lines that the T. V. A. activities touch seven States. They extend from the mountains of Virginia and North Carolina clear across the State of Tennessee, touch the corners of Georgia, Alabama, and Mississippi, and extending north across the State of Tennessee and across the corner of Kentucky to the Ohio River. The Tennessee

Valley proper comprises nearly 41,000 square miles and has a population of just a little over 2,000,000. The Tennessee River is, of course, the basis of the Tennessee Valley Authority and every activity springing therefrom. The Tennessee River is a most unusual river in that it runs in three general directions. Its course is steep and tortuous as it ripples down from the mountains of Virginia and North Carolina, and is slow and placid as it wends its way lazily across some of the level lands of Alabama and Mississippi. And its abrupt turn northward is unusual, for only a few miles westward the mighty Mississippi takes its course in a completely opposite direction. The Tennessee River attracted the attention of pioneers because of the many peculiarities of its course. Swift shoals and swift currents mark its course in many places. Because of these physical peculiarities, navigation on the Tennessee River has always been very limited. The Federal Government, through the Army engineers, has given this river much study. The population along this river is not very dense. Probably 80 percent of the population is located on the upper half of the river, the principal cities being Knoxville and Chattanooga. The lower half of the river runs through sparsely settled territory.

The Federal Government has from its establishment had full control over the navigable rivers of the Nation. It is generally considered that there is something in the Constitution which specifically grants this power to the Federal Government. This is not the case. There is no direct mention of navigation in the Constitution. The Government has taken its control of navigable streams through that section of the Constitution which gives to Congress the power "to regulate commerce with foreign nations and among the several States and with Indian tribes" and that section which provides that "Congress shall have power to provide for the common defense and general welfare of the United States." Congress has assigned the responsibility of the exercise of physical authority over navigable rivers to the War Department which in turn has assigned it to the Army engineers. Nowhere in the Constitution is the authority given to the Federal Government to exercise control of the rivers except as an aid to commerce and except as a means of national defense. Nowhere in the Constitution is the right given to the Federal Government to engage primarily in the power business. I grant that the Supreme Court has held that the Federal Government may dispose of power which is created by reason of improvements which the Federal Government has a legal right to make as such aid to navigation or to national defense or to flood control. The Supreme Court has not yet decided that the Federal Government may enter primarily into the power business.

More than a hundred years ago the Federal Government exercised jurisdiction over the Tennessee River. Very little improvement, however, was made on this river until after the Civil War. When the great Muscle Shoals project was begun the Federal Government had already expended considerable sums of money by way of improvements for the benefit of navigation. The Riverton Lock, about 225 miles from the mouth of the river, had been constructed, also extensive developments had been made by way of canals around some of the most difficult shoals. These canals were used for many years before the construction of the gigantic improvements at Muscle Shoals. By reason of these improvements more than 250 miles of the river channel could be navigated with light barges.

By reason of the great World War it developed that the United States should provide itself more amply with facilities for the manufacture of munitions of war. It appeared especially desirable that the Government should provide itself with facilities to manufacture chemicals and to be prepared for emergencies. The Wilson Dam was built at Muscle Shoals at a cost to the Government of over \$50,000,000. Near Wilson Dam preparation was made for the manufacture of nitrates and chemicals on a very extensive scale. Approximately \$75,000,000 was spent in improvements of this kind. Large towns sprang up in the Muscle Shoals territory. By the time these great improvements had been made, repre-

sented an expenditure of many millions of dollars, the war was over and the American people found themselves in the paths of peace. An effort was made to manufacture fertilizer, but the whole project was so colossal that it gradually fell into disuse like many other gigantic projects that had been established during those stressful years. The great dam at Muscle Shoals is yet the king of all of the dams in the Tennessee Valley program. While it has a great capacity for the production of electricity it has never been pressed to its full capacity because there is yet room for several turbines to be installed which would greatly increase its capacity.

What to do with the great improvements at Muscle Shoals was a question that worried Congress through several administrations. Mr. Coolidge and Mr. Hoover rejected all plans that carried with them provisions that would put these great improvements into the production of power in competition with private industry. They were supported in this position by the Congress of the United States. Finally Mr. Henry Ford made the Government a proposition to pay \$5,000,000 for the nitrate plant and offered to lease the dam and power activities from the Government for 100 years. His proposition at one time was accepted by the House of Representatives but the same was not accepted by the Senate. It is quite probable that our country would have been better off financially if we had turned over all of these Muscle Shoals activities to Mr. Ford or someone else and would have given them a bonus to take them off our hands.

At that time the public mind was well set that any program that would provide for the improvement of the Tennessee River must be along constitutional lines. The Army engineers were requested to make a survey, which they did, and reported to the Seventy-first Congress by a document known as House Document No. 328. This is probably the most comprehensive study ever made of the Tennessee River and the Tennessee Valley and all of their activities. Through this document the Army engineers made recommendations to the Congress for the improvement of this river. They followed the same course as they had followed in improving the great Ohio River from its source to its mouth. They followed the same course that they had followed with the improvement of the Mississippi and other great rivers of the Nation. To my mind their recommendations still stand as the most feasible and most sensible recommendation for the improvement of the Tennessee River that has ever been made. Congress itself, in the Rivers and Harbors Act of July 1930, authorized the improvement of the Tennessee River for navigation so as to provide a 9-foot channel from Paducah to Knoxville, and in taking this action the Congress followed the judgment of the Army engineers. If this plan had been carried through we would have been saved this tremendous expenditure of money that may soon prove to be a national calamity.

They recommended the construction of 32 low dams with locks that were sufficient, and more sufficient in many cases, than the present expensive high dams later constructed in the Tennessee River by the T. V. A. These 32 low dams would have provided a 9-foot stage for the Tennessee River from its mouth near Paducah over 600 miles to Knoxville, Tenn. It would have provided for larger and wider locks in the dams than are now provided in some of the large dams in the Tennessee. All of this improvement would have been the standard improvement employed in providing for navigation in the Ohio. All of this improvement could have been done for the sum of \$75,000,000.

If this plan had been followed the Tennessee would have been navigable long before this time, and hundreds of thousands of acres of valuable bottom land would still be tillable by the farmers and would be carrying its former burden of taxation for the benefit of the States in which it is located. No proof has been produced in any of the exhaustive hearings of the committee which has been investigating the activities of the T. V. A. that will refute the statement that more complete and more satisfactory navigation facilities could have been provided for the Tennessee for the sum of \$75,000,000 than will be provided when nearly \$700,000,000 shall have

been expended. Why should the steep and treacherous Tennessee River be furnished with navigation facilities that were not standard and were not proved when the other facilities had been tested and proved for many years by the river traffic on the Ohio? The construction of large dams means the impounding behind these dams of great lakes of water. Deep, wide pools of water raise navigation problems that are not common to smaller and more shallow pools. There is no question but that the barges that now ply the Ohio will not be able to ply these big, deep, treacherous lakes in periods of storm and high waves. Beyond any question, Maj. Rufus W. Putnam, a West Point graduate and a former member of the Army engineers, was the most capable navigation expert to testify before the Tennessee Valley Authority Investigating Committee. He says in his statement:

After making a thorough study of the T. V. A. unified plan it is my belief that the T. V. A. have spent and are spending many millions more than is justifiable or required for a satisfactory navigation project on the Tennessee River. In fact, the T. V. A. development in dams, reservoirs, and power-generating facilities (excluding Wilson Dam) will cost some \$400,000,000 in excess of that of a satisfactory project constructed solely for the benefit of navigation.

Further in his statement Major Putnam says:

With the total proposed expenditure of about \$520,000,000 for the T. V. A. unified program (excluding transmission), a 9-foot channel will be made available for the 650-mile length of the Tennessee River. By way of comparison, with an expenditure of about \$650,000,000 the War Department will have completed a 9-foot channel in the Mississippi River from the Gulf of Mexico to Minneapolis, the Illinois Waterway to Chicago, the entire length of the Ohio River, and that portion of the Missouri River lying below Kansas City—a total of 3,500 miles of inland waterway.

For navigation purposes the low dams have many advantages over the high dams. Some of these high dams provide for such tremendously high lifts as to render the same clear beyond the recommendations of safe engineering. Major Putnam expresses his opinion and says that a program such as that provided by the T. V. A.—

Leads me to the general conclusion that the program does not have as its primary objective the benefit of navigation. Rather, this T. V. A. project takes on the aspect of a project undertaken by a power company to construct power dams and reservoirs on a navigable stream.

Major Putnam expresses the opinion of every practical river man in the country. I challenge anyone to come forward with any other proof except through the persons biased by reason of employment with the T. V. A. or some other similar reason.

The Tennessee Valley program not only rides over the recommendation of practically all experienced engineers, but in carrying out their ruthless program for power, both political and electrical, they destroyed many valuable improvements that the Government had already made and paid for in the Tennessee Valley. The low-dam plan of navigation, with its larger locks and its minimum of danger, would encourage river transportation. It is well known that river transportation has not increased as the advocates of navigation facilities had hoped. If the river transportation agencies must provide themselves with different equipment to come into the Tennessee River, the chances are that they will not come. It would be a difficult task to get them to come with the low dams and the large locks, which will enable them to navigate longer tows through with much larger cargoes than they can haul through the high and more dangerous dams.

Major Putnam states emphatically that the low-dam projects sufficient to provide a 9-foot stage to Knoxville would cost in the neighborhood of \$75,000,000. This would be a saving of nearly \$400,000,000 against the T. V. A. plan.

The traffic on the Tennessee River up to this time offers practically no hope for the future. It is little short of a joke. About 82 percent of the local traffic has consisted of sand and gravel in the vicinity of Chattanooga and Knoxville, and out of the remainder 9 or 10 percent consists of a few rafts of poles and cross-ties being occasionally floated down the river. Practically all of the burden of the river at this time consists of shipments for the construction of the dams.

The T. V. A. improvements must justify themselves constitutionally from the standpoint of navigation, national defense, or flood control.

There is a well-recognized principle among hydraulic engineers that flood control and power are incompatible. I can show you on this map the reason. Here is the highest dam in the whole territory. That is Norris Dam. It is nearly 200 feet high. Back of Norris Dam, of course, there is no navigation. There are no locks in the dam and of course it cannot be navigated.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. JENKINS of Ohio. I will yield because the gentleman is such a good fellow.

Mr. RANKIN. The gentleman says the only constitutional ground we have for development of power is flood control and navigation. As a matter of fact, they are both implied powers, just as the right to develop water power is implied.

Mr. JENKINS of Ohio. The gentleman probably did not hear me say that. I said they are both implied powers, but they are implied by innumerable court decisions. But there is no court decision anywhere which says that the Government can primarily enter into the power business.

Mr. RANKIN. But the Supreme Court of the United States in the Ashwander case said that the water power in those streams was property belonging to the Federal Government. Therefore they had a right to develop it and sell it.

Mr. JENKINS of Ohio. But they are not selling water power here. They are selling electric power.

Mr. RANKIN. They said "electric power."

Mr. JENKINS of Ohio. No.

Mr. RANKIN. Oh, yes.

Mr. JENKINS of Ohio. I beg your pardon.

Mr. RANKIN. The court in the Ashwander case was talking about electric power.

Mr. JENKINS of Ohio. No. The gentleman stated it correctly in the first place when he said water power. The water power belongs to the Government, but the electric power cannot belong to the Government unless the Government makes it. God Almighty made the water power and it belongs to the Government. The Ashwander case is a simple case. The gentleman and I cannot disagree about that. That case holds that because electric power was being manufactured at the Wilson Dam, and there was surplus power left over there, the Government had the right to dispose of it just as it does at the Boulder Dam; just as it does anywhere else. Boulder Dam is not primarily a power dam, although in effect it is one of the greatest power dams in the world. Primarily it is not a power dam, because Boulder Dam is not two-thirds full yet. Boulder Dam is a flood-control dam; it is an irrigation dam. There is no question about that.

The decision in the Ashwander case was that inasmuch as the Government had this power available, it would not be expected that the power would be allowed to go to waste, but that the Government should have a right to sell this power; and the Government did sell the power. That power was created by a dam built for national defense.

Let us have no more argument about that.

Mr. RANKIN. All right, but I ask the gentleman where the Government got any constitutional right to build dams for irrigation on private property? These powers are all implied. It is not a question of whether it is water power or electric power; it has the right to control the power of these navigable streams.

Mr. JENKINS of Ohio. That is disposed of by saying that no court yet has made such a finding.

Now, let us get back to flood control.

Probably the best flood expert to testify before the T. V. A. Investigating Committee was Mr. Ford Kurtz. Mr. Kurtz is a nationally known flood expert and is recognized as one of America's great flood engineers. In the first page of his statement to the committee he says:

That even upon completion of all of the 11 dams of the unified plan recommended to the Congress the T. V. A. will not obtain adequate flood control on the Tennessee River and its tributaries; that

the T. V. A. could have obtained adequate flood control on the Tennessee River and its tributaries for \$81,133,600—a small fraction of the \$520,960,000 which T. V. A. unified plan will cost; that the T. V. A. unified plan violates basic principles of flood-control design; and that the T. V. A. dams are not primarily flood-control dams at all, but are primarily power dams and as such do not give adequate flood-control protection to the Tennessee Valley.

Further Mr. Kurtz states:

I further found that the annual cost of operation and maintenance of the works of my recommended flood-control system would be only \$400,000, as contrasted with an estimated total annual operation and maintenance expense of \$3,257,110 for the works of the T. V. A. unified plan, based upon official T. V. A. statements.

Further Mr. Kurtz sets forth most cogently that his proposed flood-control program would render far more efficient flood control than the mixed program of the T. V. A. planned primarily for the production of power with flood control only as an incident. In his discussions Mr. Kurtz shows the fallacy of constructing the gigantic Norris Dam which has practically no flood-control capacity whatever, but has great power potentialities. The dam that Mr. Kurtz would construct where Norris Dam is located, would be one built for flood control only. The result would be that Chattanooga would receive the maximum of flood control and at the same time it would not have been necessary to have purchased the thousands and thousands of acres of land that were purchased to be inundated by the waters of great Norris Lake. The Norris Lake is a thing of beauty, but its utility aside from power is of no value except that upon its peaceful bosom ply the yachts and motorboats of the sporting people of the Nation who can afford such luxuries and who receive them at the expense of small-business men whose backs are bent to the breaking point by the burden of taxation. Mr. Kurtz claims that he could have constructed at the site of Norris Dam for \$8,000,000 a dam that would have impounded 1,000,312 acre-feet of storage water, which is more than that impounded by the Norris Dam at a cost of \$36,000,000. He is supported in his testimony by statements of the United States Bureau of Reclamation. Mr. Kurtz in his plan of flood control has sought to protect the populous sections in the central reaches of the river where about 80 percent of the population is located. Mr. Kurtz in contrasting the volume of the flood water which his plan will withhold as against the flood value of the T. V. A. program, submits figures to show that his system will provide a dependable flood storage of 6,024,000 acre-feet as contrasted with 620,000 acre-feet of the T. V. A.

When we were down in Tennessee making our investigation of the T. V. A., we of the minority talked a lot about taxes. Nobody down there, of course, paid much attention to us because they were getting this seven or eight hundred million dollars free. Certainly they are for the T. V. A. down there. But just as soon as we had gone, what took place? Why, the distinguished gentleman from Tennessee introduced a bill in Congress asking the United States to refund to the State of Tennessee three or four million dollars for taxes that Tennessee did not get because the Federal Government took about 1,000,000 acres of its fine land off the tax duplicate. This Tennessee Congressman is a wonderful fellow, one of the finest men in Congress, and everybody would recognize him at once were I to mention his name—but when he made this call for help from the Federal Government they heard it way over yonder in North Carolina, and another fine Congressman introduced a bill asking the United States of America to refund to North Carolina taxes that she had lost. Down in Georgia they also seem to have heard the call, but over in Alabama—I do not know whether the Speaker of the House or any of the distinguished Congressmen from that State have heard the call, or whether over in Mississippi they have heard the call. I do not know whether the distinguished gentleman from Mississippi, who is never bashful about electric power, has introduced a bill for this purpose or not. If he has not, it is because he has not yet heard the call. He will be introducing a bill asking us to make a refund.

No, Mr. Speaker, I am not jesting, this is not a joke. There is a grave situation in this tax matter. Congress voted to set up this gigantic octopus and it marches right

across these States. It knows no State lines. It knows no State boundaries. It fears no legislature, city council, or banking institution, clothed, as the President said it should be, with the cloak of government, yet having the flexibility of a corporation that the gentleman despises so thoroughly it moves about without regard to anybody or anything. The President said it would be a majestic arm of the Government. It can defy the States because it is part of the Government. At the same time it can steal around in the night like the most corrupt corporation in the land, because it is flexible. It can come and go.

Here is the point I want to bring out. This great octopus that is endangering the very perpetuity of the States down there is growing. The people do not know it yet. They take this organization to themselves because they get great sums of money for nothing, but the time will come when there will be a reckoning over this taxation problem. How can we in Congress give to this Congressman from Tennessee a certain refund? How can we give to this Congressman from North Carolina a certain refund? Who is going to determine what each shall have? Why did they not think about that when we were telling them it was an improper invasion of their rights? We told them it would become a gigantic operation which would not stay within State boundaries. Out in the western country they have anticipated this kind of a situation. I understand out there they have guarded themselves against it; but down here they were so anxious to receive this money they have thrown discretion to the winds. But the day of accounting is with us now, and we are going to have to do something about it.

Mr. CRAWFORD. Will the gentleman yield?

Mr. JENKINS of Ohio. I yield to the gentleman from Michigan.

Mr. CRAWFORD. May I call the attention of the gentleman to a most extraordinary statement made by Under Secretary of the Treasury Hanes at the Indianapolis Bankers' Association the other day on this very point, in which he virtually showed that the States have already sold their birthright to the Federal Government? The Assistant Secretary of the Treasury is now putting that out to us. He has it in his speeches.

Mr. JENKINS of Ohio. Yes; that is a sad fact. I thank the gentleman.

Mr. SPARKMAN. Will the gentleman yield?

Mr. JENKINS of Ohio. I yield to the gentleman from Alabama.

Mr. SPARKMAN. With reference to the mention of the various bills relating to these refunds, I believe if the gentleman will examine those bills he will find that they simply ask that the tax levied in the very beginning on the sales from T. V. A. be reallocated so that all the States can share in it, not only Alabama and Tennessee, and it does not call for any additional tax refund.

Mr. RANKIN. The gentleman overlooks the fact that in the original T. V. A. Act there was a provision that 5 percent of the gross sales from the dams in Tennessee be paid to the State of Tennessee and 5 percent of the gross sales in Alabama be paid to the State of Alabama. As I understand it, this is merely a movement to reallocate those funds.

Mr. JENKINS of Ohio. Here is the proposition, and we can get to it very quickly. When the T. V. A. has discovered it could not buy these competing lines as it has been advertising for a long time it could do, it was decided to have the Norris bill introduced which would enable the T. V. A. to purchase the Tennessee Power & Electric Co. I understand now that the bill is to be amended so that the tax figure be increased from 5 percent to 10 percent. That shows there is needed a 100 percent increase in taxes and that the T. V. A. is going to have to pay it out of its receipts—that means the Government will have to pay it.

They have already sent all over the world this great yardstick idea that they have been talking so much about. They have planted that idea every place they possibly could. There is much fallacy to that yardstick. I stated at one time it was worse than a joke. I stated it was worse than a

fraud and it has proven itself to be worse than a fraud. They said that a 5-percent tax rate would be proper, but now they come and say that this is not enough. They have not one-half of the dams finished. They have not spent half the money they will eventually spend. Yet they say they have got to have 10 percent out of the receipts to meet taxes. Who knows how much it will be eventually?

Would it be fair to give Tennessee the tax out of the proceeds of its dams and Alabama the tax out of the proceeds of its dams? What would they do about some State which has lost much of its fine taxable land yet has no dam located within its confines? This tax problem is giving them grave concern. The State authorities and the legislatures of the States are greatly agitated and the newspapers are giving the matter big headlines.

The point I make is you cannot fix a fair, honest allocation of taxes because the man who has a little grist mill far up at the head of a creek is as much entitled to a reduction as the man who has a big grist mill over here near the dam. Each one of them is entitled to be reimbursed for what he has lost if others in the same condition are entitled to it. You cannot handle this tax allocation. Why? Because the Government has gone into a business it has no right being in. It has gone into the power business. If it had stayed in navigation, it would only have to stay on the river and within certain boundaries. If it had stayed in flood control it would only have to stay on the river. But it has gone over the hills and hollows to many places. Thousands upon thousands of dollars are being spent to sell the people on the T. V. A.; to show them how to buy fly swatters, how to buy all kinds of crazy doodads they had never seen before. I know they have done this because I have never seen some of them and I come from one of the greatest States in the Union so far as electricity is concerned.

Mr. RANKIN. That is what the T. V. A. has done for the gentleman from Ohio.

Mr. JENKINS of Ohio. This program of the T. V. A. to sell the farmers is absolutely senseless, silly, and useless.

Mr. TAYLOR of Tennessee. Will the gentleman yield?

Mr. JENKINS of Ohio. I yield to the gentleman from Tennessee.

Mr. TAYLOR of Tennessee. The 5- or 10-percent provision in the bill does not benefit the community that actually suffers. That is the counties. It goes into the Treasury. This money is not allocated back to the counties that really suffer. I understand the present T. V. A. recognized the justice of assuming the loss in taxes that these counties have suffered and they intend to work out a formula whereby these counties will be paid.

Mr. RANKIN. And it will be paid by the power consumers who buy this power.

Mr. TAYLOR of Tennessee. Yes; of course, it ought to be.

Mr. JENKINS of Ohio. That is all by the board. The proposition is that the people have awakened to the fact the T. V. A. has taken out of taxation a great deal of land. How much land do you suppose the T. V. A. owns outright down there? It owns over a million acres, and this land has cost the T. V. A. over \$50,000,000—just the land alone. How much of this was good land? Well, it was the best land in the State. The best land in the State for agricultural purposes has been taken; there is no question about that.

Mr. GIFFORD. Mr. Speaker, will the gentleman yield?

Mr. JENKINS of Ohio. I yield to the gentleman from Massachusetts.

Mr. GIFFORD. I should like to ask the gentleman if there is anything to a remark I read recently that the T. V. A. waters 5 States and drains 48?

Mr. JENKINS of Ohio. Yes; that is very appropriate. I know that is a fact. And the draining must stop. [Applause.]

Although it was a well-established national policy that the Government should not itself engage in competition with any legitimate enterprise, and although it had been a well-recognized national policy that the National Government in its control over rivers should confine this work purely within

well-defined constitutional limitations, and although up to 1933 these plans and programs had been adhered to by all Presidents, regardless of political parties, still the people were due to a rude awakening when the New Deal began to put forth its program. Those of us who were in Congress then well remember the strange manipulations that were carried on under the hush of emergency. We Republicans, wishing to encourage rather than impede, gave our passive support to some of the New Deal philosophies as they were rapidly forged by the brain trusters and branded with peculiar alphabetical combinations. We remember the N. E. A., meaning the National Economy Act; we remember the N. R. A. and its notorious brother the A. A. A. At that time we did not appreciate that all of these things were a part of a well thought-out centralization program that had been prearranged. It is now plain to us of the small vision that at that time their plea for support because of an emergency was only an opiate to lull us into a sense of patriotic cooperation and away from the dangers that were threatening. On March 9 the President convened Congress in special session. On April 10, after numerous other messages had been sent to the Congress, the President sent a message which today he probably would not send even to his most supine followers. He says:

I therefore suggest to the Congress legislation to create a Tennessee Valley Authority—a corporation clothed with the power of government, but possessed of the flexibility and initiative of a private enterprise.

In other words, the President proposed to Congress that there should be set up a corporation clothed with the power of the Government. That means, of course, all necessary powers of the Government. That means sufficient power to override the States through which this gigantic octopus should move with omnipotent tread. He proposed to give to this Authority more than the sovereign State of Tennessee enjoyed and more than the combined sovereignty of the seven States through which it operated enjoyed. He says that this great New Deal monstrosity should move with the power of government but with the flexibility and initiative of a private enterprise.

In other words, it should be a perfect Dr. Jekyll and Mr. Hyde. It should be the Federal Government when the States might want to tax it. It should be a private corporation when it seeks to escape from the rigid control which the Federal Government must have over such activities. In other words, it should be a new creature created not in the image of anything that had heretofore been created, and not in the image of truth and honesty and patriotism. It should be hydra-headed and run in every direction at once. It should have many legs so that it could assume any position and any posture at any time and in any place that would appear most desirable to those in charge of it. Its management should be trusted only with those who had been selected with the greatest care. No one should be permitted within the inner circles of its management who had not first proved his entire fitness by a solemn profession of a belief in the feasibility and wisdom of the plan. The exact language of the act is:

All members of the Board shall be persons who profess a belief in the feasibility and wisdom of this act.

With the construction of Wilson Dam and the lack of need for munitions for national defense and with the failure of the nitrate plants, the whole project became the subject of much public discussion. The money had been spent just as millions upon millions had been spent in Army camps and munitions factories such as those at Nitro, W. Va., and many other places. Mr. Coolidge refused to turn Muscle Shoals into a national power plant to oppose legitimate investment. Mr. Hoover followed the same course. The majority of the Congressmen, both Republicans and Democrats, shared the same views.

But on March 4, 1933, a new administration came into power. This bill establishing the T. V. A. was introduced about the 10th day of April 1933.

[Here the gavel fell.]

Mr. MAPES. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 15 additional minutes.

The SPEAKER pro tempore (Mr. DELANEY). The gentleman from Illinois [Mr. MASON] is entitled to recognition to address the House at this time. Is this request agreeable to the gentleman from Illinois?

Mr. MASON. Mr. Speaker, I shall be very pleased to have the gentleman's time extended.

Mr. JENKINS of Ohio. I thank the gentleman.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. JENKINS of Ohio. I was saying that the bill was introduced about the 10th day of April 1933.

Mr. RANKIN. Will the gentleman state to which bill he refers? Is it the Senate bill?

Mr. JENKINS of Ohio. No; I refer to the bill that was introduced in the House.

Mr. RANKIN. That is not the bill that became law, if the gentleman is referring to the bill that was introduced by Mr. McSWAIN. The bill that was introduced in the Senate by Senator NORRIS and in the House by me became law. It was a different bill entirely.

Mr. JENKINS of Ohio. It is of very small importance anyway. I am only trying to show with what speed this momentous legislation was passed.

The President sent his message to Congress on the 10th day of April, and the bill was passed within a month. You know, we Republicans acted magnificently in those days. We responded because the urge was that we should do the best we could to uphold the hands of the President, and we did that. Now, I wish we had not been so blind; I wish we had had a little more vision. We passed that bill.

Mr. RANKIN. The gentleman from Ohio did not follow that course. He did not vote for it.

Mr. JENKINS of Ohio. No; I know I did not vote for it—that is one thing I shall never have to answer for—but some people did, and now a lot of them wish they had not voted for it.

Mr. SECCOMBE. Mr. Speaker, will the gentleman yield?

Mr. JENKINS of Ohio. Yes.

Mr. SECCOMBE. Under these power rates, is it not a fact that down there in the valley they have been using electric manure spreaders, didy laundries, and things of that sort?

Mr. JENKINS of Ohio. Yes; they are trying to do all these fancy things, but the people want to spread the manure in the old-fashioned way. [Laughter.] The people are not fooled by these manure spreaders, whether mechanical or animated. The people down there, or at least some of them, are as good spreaders as I know. [Applause.] They are as good as we have in Ohio.

Those were the days when legislative legerdemain was practiced with the greatest of ease. "Must" and "emergency" were the magic words. In a short time the Tennessee Valley Authority was a full-fledged instrumentality of the Government ready to join in the wild race of extravagant money spending. Although this was a Government agency, yet, as the President said, it was to be a flexible one. Indeed it was a flexible one, for it soon wiggled itself into all kinds of contortions under the order of the master, Mr. David Lilienthal.

This bill contained the following preamble:

That for the purpose of maintaining and operating the properties now owned by the United States in the vicinity of Muscle Shoals, Ala., and in the interest of national defense and for agricultural and industrial development and to improve navigation in the Tennessee River and to control the flood waters in the Tennessee River and the Mississippi River Basins, there is hereby created a body corporation by the name of the Tennessee Valley Authority.

It is plainly to be seen that the draftsman who drew this bill was doing his best to include within its enumerated purposes sufficient statements that, if true, would make the bill constitutional on its face. The preamble states that the bill

was in the interest of national defense and navigation and flood control. The word "power" appears nowhere in the opening pages of the bill. Far over in the pages of the bill, after providing that no one should be appointed to membership on the Board without first professing in all humility and meekness and with complete resignation his most fervent "belief in the feasibility and wisdom" of the act, is the language putting the Government in the power business.

Power is given to the Authority—

To acquire real estate for the construction of dams, reservoirs, transmission lines, powerhouses, and other structures.

From there forward the remaining three-fourths of the pages of the bill are devoted to the production and transmission of power. By this bill the question of the right of the Federal Government to go into the power industry in competition with private industry and private capital is raised. The Government, under the guise of improving navigation and controlling floods, has constructed dams costing at least \$400,000,000 more than is necessary, and under the guise of protecting from waste the power produced from these dams, the Government goes into the power business. This is a fraudulent procedure on its face, and cannot be justified in honesty or in ethics. It might be argued that the Supreme Court sustains the power of the T. V. A. to manufacture power as a business. The Supreme Court does not so decide. The Supreme Court holds in the famous Eighteen Power Co. case that the power companies not having franchises which guarantee them the right to operate without competition have no standing to enjoin competition. The Court holds in effect that even though the power companies have and will suffer great damages and loss by reason of the competition of this Government agency they cannot have a standing to complain because their case is one known in law as *damnum absque injuria* a damage not consequent upon the violation of any legal right.

A vigorous dissenting opinion is rendered by Justice McReynolds in which Justice Butler concurs. They claim that the power companies do show that they have valuable rights which will suffer irreparable injury by reason of the programs and acts of which they complain. They maintain that the power companies have raised constitutional questions which the Court should consider and decide.

The T. V. A. has been unconstitutional from its very beginning. In an effort to foist itself upon the people with this illegitimate background, it has been dishonest in its purpose. Encouraged by its capacity to flout the law, it has become the most blatant and most arrogant activity of the Government. Already it spends almost as much as some of the most essential departments of the Government. It stalks from State to State as an uncontrolled giant paying heed neither to law nor to government. It is beyond reach of the court or legislature. It knows not the responsibility that comes to the average corporation when it comes to making up a pay roll. The T. V. A. draws upon Uncle Sam. The T. V. A. knows nothing of the insatiable nature of accumulating interest. It has no fears of the enemy of all mankind in all generations—the ever-present tax collector. It knows that it is clothed with the power and majesty of Government and it also knows that it can move about with the irresponsible flexibility of a thief in the night.

For instance, the T. V. A. Act especially provides that the Comptroller General shall audit the transactions of the T. V. A. at such times as he shall determine. Believe it or not, our investigation disclosed the fact that the General Accounting Office had failed to audit the books of the T. V. A. since 1934. The reasons assigned was the recalcitrant attitude of this New Deal child who is clothed with the majesty of government. Not until the minority members of the investigating committee developed this appalling state of affairs from the accounting standpoint were we able to get the facts. Although many millions of dollars in exceptions have been made by the General Accounting Office to the accounting activities of the T. V. A., and although many of these have been explained away, still several million dollars remain unexplained.

The T. V. A. law specifically relieves this agency from the provision of the civil-service law and makes it an organization unto itself in that respect. This opens the door to jealousies and favoritisms beyond belief, all to the disadvantage of the administration of the act. The T. V. A. is wonderfully and fearfully put together. With its great organization of 14,000 employees, it is virtually in political and social control of the activities of the States through which it operates. It has behind it what appears to be the unlimited capacity of the Federal Government to go into debt. Its hundreds of automobiles fly over the roads of these seven States, piling up thousands upon thousands of miles in a ceaseless and useless game of investigators investigating each other. The members of the Board at the time of the hearings in Knoxville came into the courtroom supported by a more elaborate retinue than King Solomon had in all his glory. Department heads and assistant department heads, chiefs and assistant chiefs, and secretaries and assistant secretaries without number, world without end, spent their time and energy in attempting to justify the T. V. A. and its existence. Practically everything that is done by the T. V. A. official force is done with the view of its carrying favorable publicity.

It was against this glittering, unnatural showmanship that Dr. Morgan complained so bitterly. He demanded honesty of purpose and candor of conversation. Instead of tearing off this mask of insincerity as he should have done, the general counsel of the investigating committee fell into a companionship with the Tennessee Valley Authority higher-ups. This seriously nullified his usefulness as an investigator. Soon it became evident to even the casual observer that probably the best and most ardent advocates the T. V. A. had in the courtroom procedure was the counsel for the investigating committee and his assistants. The record does not disclose one single instance where the chief counsel for the committee brought forth one single shred of evidence that reflected upon the activities of the T. V. A. leaders. The investigating proceedings were frequently enlivened by sparks that sent off verbal conflagrations, which occasionally furnished considerable heat and some light to the committee as it made its unsteady march through the intricacies of this investigation. There is little wonder that the majority report is free from any suggestion as to how Congress might curb the activities of this outlaw organization. The majority report fails to make any suggestion with reference to the expenditures of this, the most profligate activity of the Government.

The highlights of the investigation were reached by reason of the failure of the general counsel of the committee to conduct a vigorous, fair, and aboveboard investigation. From the beginning it was evident that there was some understanding between the general counsel for the committee and the higher-ups in the T. V. A. organization as to how the investigation should be carried on.

For instance, it developed from the very beginning that the General Counsel and the counsel for the T. V. A. had an arrangement whereby any employee of the T. V. A., before he could make any statement with reference to T. V. A., must first submit himself to close examination by the counsel for the investigating committee with the knowledge, if not in the immediate presence, of some representative of the T. V. A. This was a star-chamber practice that would rank with the days of the Spanish Inquisition. This practice was brought out upon the examination of one Mr. Hoffman, who was assistant to Mr. Fly, who was the secretary of the Board of Directors. Mr. Hoffman showed signs of wanting to tell the whole truth, which was a very refreshing change from the usual poll-parrot recitations by the witnesses called. I took him up for cross-examination. He unburdened his soul and told of the numerous changes that he had been ordered to make in the minutes of the directors' meetings by his immediate superiors, and he told of many other irregularities. This revelation threw consternation into the T. V. A. camp and caused the chief counsel of the committee to threaten to resign his position. On that day 14,000 American citizens, working under a mean system of slavery, were freed and

again restored to their right of free speech. I had the honor of writing the resolution which the committee adopted unanimously and which was to be the emancipation proclamation of these employees. Many of these employees are high-class and highly qualified individuals. They resented these high-handed procedures. As proof that the high-ups still feel that they should be permitted to carry on after this fashion, one needs only to cite the fact that Mr. Hoffman, who opened up this disgraceful situation, soon lost his job and was put out upon the street with the millions of those that we now call the unemployed.

These are the tactics against which Dr. Arthur Morgan rebelled. This is the kind of dishonesty and reprehensible conduct that he complained against publicly. This sort of conduct breeds a dangerous spirit among the employees. Everywhere it was evident that the employees fortify themselves against their fellow employees by making copies of records so as to protect themselves at all times.

This institution also from its very nature finds itself engaged in the political and social and financial activities of every community. It must deal with mayors and city counsels and consequently it feels free to engage in contests so as to elect to these positions those who are known to favor it and its policies. It extends those activities to the election of Governors and State officials and county officials. It is especially interested in boards that control transportation and road facilities and especially boards that deal with taxation. While it is clothed with governmental attributes, it is, as the President said, flexible to a very great extent. This institution must change its methods or else it will bring the Government further into disgrace and it will bring down upon its head the wrath of an indignant public.

I shall not have time to do more than touch upon the agricultural developments of the T. V. A. It has bought, or will need to buy, a total of at least 1,000,000 acres of land at a price of \$50,000,000. Most of this land was good bottom land, that now has been inundated to provide for the vast lakes of the T. V. A. The taking of these lands has raised a serious tax question which is now confronting the legislature of some of the States. This complaint is being stifled by the T. V. A., who fear adverse publicity. But it is estimated that the States are losing \$7,506,000 from taxes from this institution. This is partly made up of contribution from T. V. A., but the amount of contribution made is only \$1,012,550. There is still a shortage of six and a half million dollars per year.

The agricultural activities are not so much the purchase of land as they are the lending by the Authority of its money and influence in a socialized program for the people whose lands have been taken for lake and recreational purposes and in experimenting with impractical electrical experiments, such as fly killers, community refrigerators, strawberry freezing boats and other similar foolishness. Likewise the experimentation in the field of fertilizer manufacturing is expensive. It has already lost the Government the sum of \$6,366,000. Last year it lost the Government \$186,000. Dr. Curtis, the guiding genius of the fertilizing program, quit his position as soon as the Investigating Committee made its investigation in that territory. Our committee brought out the facts with reference to the purchase by the Government of a tract of phosphate land for \$678,450 from the International Agricultural Corporation; and that this corporation had but a short time before purchased this same land for the sum of \$148,378. Why the T. V. A. should give this organization a profit of \$530,081 is unexplainable when the T. V. A. was believed to be only on a program of experimentation and when it already owned enough phosphate to run it for at least 30 years.

As proof that the manufacture of power was the real purpose of the T. V. A. it can be seen from the speed with which the new dealers jumped into action on the power matter and the New Deal guidance of the Board by Lilienthal. The Board organized on June 16, 1933, which was a few days after the bill passed. Dr. A. E. Morgan was the first man appointed and naturally took the leading part in getting the Board together for organization. By August 3, however, Mr.

Lilienthal had already worked a division in the management of the affairs of the Board by acting secretly with Dr. Harcourt Morgan. They divided up the authority without consulting Dr. A. E. Morgan. They gave Dr. A. E. Morgan the task of building the dams. Of course, they knew nothing about this important phase of the work. Dr. Harcourt Morgan took the land purchasing division and the fertilizer manufacturing program and other similar activities. Mr. Lilienthal took over the main program—the power program and all legal departments. Is there any wonder that Dr. A. E. Morgan suspicioned what was happening when in less than 2 months Lilienthal had practically established himself as a dictator. It is one of the mysteries of this whole investigation as to how the majority of the investigating committee could, in their report, uphold the activities of Lilienthal and condemn the activities of Dr. A. E. Morgan, against whom there has never been shown even a shadow of suspicion. He is the only member of the Board that has ever accomplished anything worth while in his own right and by his own ability. He is acknowledged to be a great engineer. All who know him recognize his moral worth. The only fault that I have ever been able to find with him is that he "professed his belief in the feasibility and wisdom of the act" before he took his oath of office. He must have changed his mind many times especially as to the wisdom of the act as it has been administered.

Within 2 months after the formation of the Authority and before any but the Wilson Dam was built, Lilienthal was head over heels in the power business. Logically, if this was to be a navigation and flood-control project, these matters would have been put foremost. But Lilienthal proceeded to make contracts for the sale of power long before he was able to deliver as much as he was wishing to contract. Dr. A. E. Morgan believed that the sale of power should be with regard to the existing fields already occupied by private industry, but Lilienthal believed that the policy of the T. V. A. should be to proceed immediately to set up competition to all private utility corporations.

This difference of opinion was brought to the President for a decision and the President sustained Dr. A. E. Morgan. But the wide difference between the character and beliefs of these two men was not allayed and Lilienthal with characteristic stealth proceeded with his game until out of self-respect Dr. Morgan found it impossible to stand by and watch what he termed:

1. Inaccurate and misrepresentative reports to the President, the Congress, and the public.
2. Mismanagement of the power program.
3. Lack of candor in statements to the Congress and the public concerning the power program.
4. Improper and misleading accounting, reporting, and publicity in reference to the yardstick program.
5. Collusion, conspiracy, and mismanagement in administration.
6. Subservience to political and other special interests.

The unbending honesty of Dr. A. E. Morgan did not fit into the program of the T. V. A. The President realized the program must be changed or the personnel of the Board must be changed. The President called the Board together in what was recognized by all fair-minded people as an unfortunate performance. The star-chamber methods employed in that conference were no credit to the Administration. The public was with Dr. Morgan then and it is with him now. The President dismissed Dr. Morgan for "contumacy." Few people realize what this means. It sounds unusual. It is unusual, for in effect it means that he was dismissed because he refused to compel his mind to run along with the mind of the President. In other words, he was dismissed for the same reason that Mr. Humphrey, in the famous Humphrey case, was dismissed. The Supreme Court held that Mr. Humphrey had been improperly dismissed. The courts have not yet decided on the method of dismissal of Dr. Morgan.

Mr. STARNES of Alabama. Mr. Speaker, will the gentleman yield?

Mr. JENKINS of Ohio. Yes.

Mr. STARNES of Alabama. Did I not understand the gentleman to say that Dr. Arthur V. Morgan was one of the great engineers of this country?

Mr. JENKINS of Ohio. Yes.

Mr. STARNES of Alabama. And did he not recommend the Gilbertsville Dam as the keystone of the whole proposition?

Mr. JENKINS of Ohio. I do not know. Besides, he would not be normal unless he made a mistake occasionally.

Mr. Lilienthal published his yardstick before he had constructed one single dam. Before he could possibly have known what his cost of power would be.

Mr. RANKIN. But not before Wilson Dam was completed.

Mr. JENKINS of Ohio. No; of course not. Wilson Dam was built 20 years ago.

Lilienthal announced the rates in September 1933, without consulting the other two members of the Board. At that time he stated that the rates included all costs, when, as a matter of fact, the allocation of costs were not made for many months thereafter. In fact, the first cost allocation was made in 1938. After Lilienthal had made his first announcement of the yardstick rates, he stated that the same were "a little more than a lucky guess." When the final allocation of costs was made to the President in June 1938 by the Financial Political Committee of the T. V. A., appointed to make an allocation of costs, this committee says:

Every method of allocating the common plant investment necessary involves assumption and estimates, the formulation of which is dependent upon the widely varying opinions of individuals. * * * The problem is one of judgment rather than scientific calculation.

The committee's conclusions are, therefore, in the form of a recommended policy based on judgment and not on any one allocation theory.

I have repeatedly stated that the T. V. A. yardstick is a fake. It is worse than a fake—it is a willful fraud put forth to deceive. A yardstick should be a thing of accuracy. Its virtue is its accuracy. A yardstick is not a slide rule. A yardstick should be the same to all people at all times. It is a standard. A slide rule is a rule by which computations are made when different factors are considered. The only practical way by which the T. V. A. rates can be considered as a yardstick would be for the T. V. A. to compute honestly every element in the cost of production and then fix the price at the dams, or, more technically speaking, at the bus bars. This is the system employed at Boulder Dam. But so long as the T. V. A. contracts to retail power and assumes to transmit power on its own private transmission facilities, and to engage in promotional programs and private salesmanship programs, and to engage in municipal elections and all other local activities, it will be impossible for it to fix a yardstick.

Here are some of the reasons why T. V. A. rates cannot be accepted as an honest yardstick:

First. The cost of production cannot be computed accurately because the dams are built with Government money. With the benefit that the Government gets from mass construction and with the benefit that the Government gets from unlimited credit, it would not be fair to private industry if this were not computed. The Government can buy practically every item used in the construction of its dams cheaper than private industry can buy it.

Second. No interest is computed, for the Government is not required to go to the bank and arrange for credit as a private individual would be required to do.

Third. The Government pays no taxes of any kind. A private individual would be required to pay countless kinds of taxes in the construction of the dam. It would have to provide itself with insurance of all kinds to protect its property and its workmen. It would have to provide itself with franchises and licenses of various kinds and bonds of all kinds and descriptions. It would be required to pay taxes on its improvement, and this tax would be State, local, and Federal.

Fourth. The Government would have the benefit of free legal talent, free postage, and free communication of various kinds.

Fifth. The Government would also have the advantage in that it could arrange its allocation figures between navigation, flood control, and power as it might see fit.

If the Government is to be allowed all these advantages and not reflect the same in its yardstick, then, of course, its yardstick would be less than a 20-inch yardstick.

The SPEAKER pro tempore. The time of the gentleman from Ohio has again expired.

Mr. JENKINS of Ohio. Mr. Speaker, I ask unanimous consent to proceed for 3 additional minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. JENKINS of Ohio. An example of how this favoritism and juggling of figures can be employed is easily seen in the figures used by the Allocation Board. Wilson Dam is put in at about \$30,000,000 and Wheeler Dam is put in at about \$32,000,000. Wilson Dam has a capacity of power production almost three times as great as that at Wheeler Dam. From the power standpoint, there is a great discrepancy between these two figures. This committee on allocation, consisting altogether of T. V. A. officials, made its report, as I have heretofore stated, in June 1938. The T. V. A. Act, amended in 1935, provides specifically "that the Board shall, on or before January 1, 1937, file with Congress a statement of its allocation of the value of all such properties."

In spite of this specific statutory requirement, the Board did not file this report until after the congressional investigating committee had begun its work. I am herewith submitting for the Record a few figures showing this allocation as made by the Board.

Purpose	Single-purpose investment	Joint investment		Total investment	
		Amount	Per cent	Amount	Per cent
Flood control.....	\$2,600,000	\$15,870,627	25	\$18,470,627	20
Navigation.....	4,075,988	22,218,877	35	26,294,865	28
Power.....	23,967,177	25,393,002	40	49,360,179	52
Total.....	30,643,165	63,482,506	100	94,125,671	100

It will be noted that the allocating committee assigns 52 percent of the cost of these dams to power and the other 48 percent to flood control and navigation. It was only to be expected that a committee made up exclusively of high officials in the T. V. A. would find as they have found. Each of these gentlemen testified at great length in the hearings in an effort to support the T. V. A. Those who disagreed with this allocation had very little opportunity to present testimony. But there is some very positive testimony produced by eminent men and all to the effect that this percentage of allocation to power is entirely too small. In this group is included Dr. Arthur E. Morgan.

No yardstick can be accurate that is figured on a statement showing a profit when that statement in fact shows a loss. I shall give you some figures showing the opinion of three men who were considered able men and each of whom testified from his own viewpoint and defended it vigorously.

Dr. A. E. Moreland, of Jackson & Moreland, of Boston, probably the outstanding expert of his kind in the Nation, says from a very exhaustive study made by him, that the Tennessee Valley Authority is bound to lose \$10,350,000 per year on its power operation at its present rates. Dr. A. E. Morgan, on the same computation, claims that the T. V. A. will lose \$3,156,850 per year. Mr. Krug, one of the T. V. A. engineers, gives as his opinion that the T. V. A. will earn \$4,624,775 per year. In these computations, Mr. Moreland figures an allocation of cost amounting to \$451,317,773, while Mr. Krug figures the cost allocation as \$332,519,156. Mr. Krug figures his profit on the capitalization of \$120,000,000 less than does Mr. Moreland. And Mr. Krug forgot to include \$6,500,000 per year for taxes. Computation as made by distinguished gentlemen on the loss that T. V. A. has sustained in the years from 1934 to 1938 are interesting in their differences. Mr. Kokler of the T. V. A. estimates that during that period the T. V. A. lost \$784,665. He forgets to include what will be reasonable interest amounting to about \$5,000,000 and what would be reasonable taxes amounting to \$3,500,000. Mr. Morgan computes the loss

during those years at \$9,446,605, and Thomas A. Panter, chief engineer for the T. V. A. Investigating Committee, computes the loss for that time at \$9,525,000.

That it is not possible for the T. V. A. to establish a yardstick that could be used in other sections of the country so long as it seeks to transmit its power directly to the consumer is proven by the testimony by Mr. Krug. In answer to a direct question by me he says:

The use of a standard, which I think is a better term than yardstick, requires one to take into account differences in circumstances from place to place. * * * I don't contend, and I don't think anybody does that understands the yardstick principle, because the city of Knoxville can charge a certain rate schedule that every other city in the United States can charge exactly that same rate schedule and make money.

I am not now, and have never been, the champion of public utilities. I do not, and never have, owned any stock in any power company, and I am not beholden financially or politically in any way to any power company. I think the power companies have, by their failure to understand that honesty is the best policy in dealing with the public, brought upon themselves a great deal of the condemnation that has visited them in the past few years. While I contend vigorously that the T. V. A. was established from improper economic motives, I have no objection to the Federal Government, where it can legally and constitutionally do so, encouraging low rates of power for the people. But I maintain that this should not be done until every legal remedy has been exhausted to have private industry accomplish the same purpose. What I object to is that the administration should lend itself to a program of a group of well-known public power, socialistically inclined enthusiasts, in an effort to destroy private capital invested by millions of American people in what they thought were perfectly legitimate investments. I have never opposed municipal ownership of electric-light plants, for there the people decide for themselves what they want. If the Federal Government is seeking to make an experiment in the Tennessee Valley, its experiment should be honestly made if it is to be of any value. A dishonest experiment proves nothing but the dishonesty of the experimenter.

The committee investigating the Tennessee Valley Authority were greatly handicapped in that the chief engineer failed to participate in the investigations or in the hearings. He has made a very exhaustive report which he presented to the committee after the hearings had been concluded. If he had so arranged his work as to have participated in the public hearings, I think he could have contributed mightily to solving the problems which the public and the Congress expected this committee to solve.

Senator JAMES J. DAVIS, Representative CHARLES A. WOLVERTON, and I prepared and filed a minority report setting forth our views. We also set forth our recommendations. Our views may or may not be of value as a reader of them might appraise them. But our recommendations, I think, will be of some value for they are reasonable and I am sure, sincerely presented.

In the first place, we recommend that all agricultural activities of the T. V. A. be turned back to the Department of Agriculture, which is far better qualified to take care of this work than is this separate agency of the Government. The T. V. A. has done nothing that the Department of Agriculture could not have done many times better. Its phosphate and fertilizer, as well as its other agriculture programs were greatly beyond and outside a reasonable purview of the law.

Second, we recommend that all dam construction and operation be placed in the hands of the War Department where it belongs. Congress and the Federal Government have the right to control navigable streams and they should continue to hold that right. They should not surrender up that right to any other agency. The War Department, through the Army engineers, is perfectly capable of handling this program. In this way the War Department could employ the dams to their maximum for flood control when flood control was necessary and to their maximum for navigation if any

navigation ever presents itself, and for the maximum in power production when power is needed.

Third, we recommend that since the Government has constructed extensive transmission lines and has purchased other transmission lines that it cannot in good faith abandon these programs, but it must employ them to the best advantage consistent with law and proper business procedure. These power facilities should be considered as a private power organization in competition with other power organizations unless the competition can be legally and amicably removed. It will not require a great army of experts and assistants to operate these power facilities. A board of directors consisting of five members could be appointed by the President on a per diem basis. This Board of Directors would have the responsibility of furnishing the policy by which the facilities would be operated. This Board of Directors could employ a general manager, and together they could arrange a plan whereby the organization could be operated to the best interest of all concerned.

It is our belief that this plan suggested by us or some similar plan calling for the separation of these various powers and responsibilities will, in time, undo the great harm that has been done by reason of the building up of this arrogant structure that is neither Federal nor State, and a very poor combination of both.

We should take immediate steps to stop spending money. The \$120,000,000 that is to be spent on the Gilbertsville Dam can be saved. The thirty or forty million dollars that is to be spent on the Coulter Shoals Dam and the millions that are to be spent on the Watts bar dam can be saved. Likewise we need not commence the construction of the Fontana Dam.

Mr. Speaker, with all of the fervor and emphasis that I can command I repeat that we must quit spending money. [Applause.]

This Tennessee Valley Authority is an illegitimate child. It was born out of constitutional wedlock. It does not have any more claim upon our finances than thousands of perfectly legitimate industries in the Nation that are floundering in this terrible abyss of depression. [Applause.]

The SPEAKER pro tempore (Mr. DELANEY). The time of the gentleman from Ohio has again expired.

WORKS PROGRESS ADMINISTRATION

Mr. DEMPSEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD at this point.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

Mr. DEMPSEY. Mr. Speaker, in view of the recently reported utterances and representations made by the mayors of several of our great metropolitan cities before the subcommittee of the House Committee on Appropriations, which is conducting an investigation of Works Progress Administration matters, I feel constrained to direct the attention of this honorable body to conditions that obtain today in the Works Progress Administration.

These chief executives of some of our largest municipalities have stated that the principles of W. P. A. work relief must be continued or thousands in the various cities will again be confronted with the specter of want and privation. They take the position that at this time the Federal Government should not withdraw its work-relief activities. With that position I am in full accord. I believe that we must continue this assistance to the unemployed, but in that continuance I feel that this Congress must take cognizance of the fact that the W. P. A. has departed so far afield from the original fundamental principles established for it that in a great degree it has lost its usefulness as an administrative organization, particularly with regard to construction projects. It is my contention that continuance of these construction projects under the present W. P. A. supervisory set-up can result only in further unjustified and wanton waste of public funds.

Two developments since I last addressed my remarks to this House on this particular subject have served to convince me even more that the Congress can no longer justify its

position in legislating to appropriate millions of dollars for construction projects under W. P. A. supervision unless such projects are let by competitive bid.

First, by the negative action of this House on the Taber resolution, we have approved the President's reorganization plan which puts W. P. A. and P. W. A. under one governmental division.

Second, we have been advised by published reports of the hearings before the W. P. A. subcommittee of the House Committee on Appropriations that expert engineers from the Procurement Division of the Treasury Department testified that construction costs of buildings erected in New York under W. P. A. supervision were twice what they should have been and twice what they would have been had the buildings been constructed under private contract.

In view of the fact that I had made virtually that same statement on the floor of this House and again before the Senate committee conducting hearings on the Byrnes bill, I was naturally interested in the details of the testimony of those two engineering experts.

The revelations made of needless and inexcusable waste caused by the inefficiency and lack of administrative ability on the part of the W. P. A. are exactly what I pointed out to this House in a speech on February 21. Any man in private employment who was responsible for such conditions as these engineers portrayed and proved, would have been fired, without ceremony, instantaneously. I urge every Member of this House to make a careful study of this testimony and evidence given to the W. P. A. subcommittee before he or she votes another dollar of appropriations for W. P. A. supervised noncontract construction projects.

There may have been some justification for a hastily considered decision on our part in the days when an actual emergency existed and millions of our citizens would face want and privation, even starvation, unless we acted promptly, but that day is past. Now we have the records of 6 years of experience before us and unless we profit by that experience and stop the gaps through which millions of dollars of the public money are wastefully flowing, public opinion will turn upon us in rightful indignation and demand that we be replaced by others who will refuse to permit further this rape of the Nation's Treasury.

Allow me to cite just a couple of instances pointed out by these engineers in their testimony before the committee. The Federal building at the New York World's Fair, they testified, cost 20 cents per cubic foot to construct under contract. The W. P. A. building at the fair, although somewhat inferior in quality of construction to the Federal building, is costing 43½ cents per cubic foot—more than twice as much. Why? Because under W. P. A. supervision the workers were not giving a prevailing day's work for a prevailing day's pay; because W. P. A. supervision was not efficient; because W. P. A. did not demand and get efficient supervision. Because, to put it bluntly, on all these construction projects under W. P. A., it has been my observation, so-called relief work has been about 70-percent relief and 30-percent work.

There is no reason why a man working for the Government under W. P. A. supervision should not deliver a dollar's worth of work for the dollar paid. That is not done, however, because, as I have stated before, the W. P. A. does not have now, and never has had, efficient supervisory personnel. I am not holding the W. P. A. responsible for that condition, because the W. P. A. set-up, as approved by this Congress, was not conducive to efficiency and economy. The fault lies with the Congress. Try as we may we cannot, in all candor, deny our responsibility. We can, however, refuse to contribute further to this particular type of economic delinquency.

This W. P. A. building at the world's fair was to cost about \$250,000, so the engineers testified, but the outlay to date has been \$544,000. The original plans have been changed several times during construction, they told the committee. Does that indicate efficiency? Would any of us have permitted anything like that if we had been erecting that building? Would that have happened if a contractor under

proper supervision had been constructing the building? Most assuredly not. The long and short of the whole matter is that more than a quarter of a million dollars of the people's money were wasted.

One other instance of W. P. A. profligacy is shown in the testimony of these two engineers, who stated, after making a most careful investigation, that a New York school building being constructed by W. P. A. will cost \$782,000, and an identical school building built under private contract cost \$441,000. In fact, that was the average cost of four or five identical buildings.

Let me quote one statement from the testimony of one of these engineers. He said, and I quote:

The estimate of labor upon the building under contract is \$170,000, and the estimate for labor for the building constructed by the W. P. A. is \$446,695.

The labor cost under W. P. A. is two and one-half times that under private contract. In other words, there is a waste in this one project of more than \$275,000. And, worst of all, there was no more work done for the public in one case than in the other. In all probability better work was done by skilled craftsmen on the building which cost the least.

There is no need for me to detail a dozen other cases which these engineers presented to the subcommittee. These experts covered various types of construction projects, made a careful investigation, and gave an unbiased report—a report which should give every Member of this House pause, because we are responsible for the conditions which permitted this waste.

How much of the approximately \$7,000,000,000 that we have appropriated for W. P. A. during its existence has been wasted through this same sort of inefficiency and lack of administrative ability? I would hesitate to venture a guess, but the Budget for the fiscal year ending June 30, 1940, breaks down the \$1,425,000,000 total as follows: For highways, roads, and streets, \$484,500,000; for the construction projects group, \$655,500,000; and for educational, professional, and other "white collar" projects, \$285,000,000.

Highway, road, and street building is, strictly speaking, construction, but disregarding that phase of construction work, this Budget break-down shows that almost 50 percent of the total is designated for construction projects, such as school buildings and the type of work which these engineers have testified was done in New York at such enormous loss through waste.

Fortunate, indeed, are the American people if they have not already been forced to squander through the W. P. A. at least \$2,000,000,000, and, let me remind you again, the Congress is more directly responsible for it than anyone else.

The President has advised us that he expects to save between \$15,000,000 and \$20,000,000 annually through the reorganization plan he recently submitted and which we have, in effect, approved.

This Congress can effect even a greater saving by refusing to appropriate further money for construction projects until they are removed from the present supervision status and placed under requirements for letting by contract.

The Nation will have more in value received for the money expended, and a Federal Government dollar is worth as much as any other; there will be more and better schoolhouses and other public buildings; there will be just as much employment; but the waste and inefficiency will be eliminated.

To my mind the time has come when we should abandon the misnomer Works Progress Administration and rechristen it the P. R. A.—Public Relief Administration—for that is all it ever has been or ever will be. Let it administer the "white collar" projects, the women's sewing projects, and those other activities where relief, rather than work, is the principal objective.

Most certainly we of the Congress must be convinced by this time, after these years of experience, that administration of relief is in nowise guided by the same fundamentals as is the administration of public works, and the two cannot

be successfully blended into one properly functioning organization.

In this matter of reorganization I, for one, would go still further and decentralize the Civilian Conservation Corps, doing away with the top-heavy, expensive administration of the C. C. C. and placing each group under the supervision and full control of the department of the Government which it is serving; C. C. C. grazing and reclamation camps under the Department of the Interior; soil conservation camps under the Department of Agriculture, and in a like manner with all of them. Again the Congress could aid in reducing Government expenditure, and at the same time increase efficiency. That, as I understand it, is the purpose of reorganization.

I do not take the position of a critic of the Civilian Conservation Corps, but I do believe that, in order to make it an effective permanent governmental activity, which it should be, there should be less conflict in supervisory and administrative authority, with the resultant reduction in administrative costs.

But above all, let us demand that every agency of this Government, whether of an emergency nature or of permanent status, require and get a full dollar in work return for every dollar expended. If we are to give relief, and our economic status makes it necessary, let us give that relief as such and not misguide millions of our people into the belief that they should not work for the public money they are paid for working. Better far an outright dole than a widespread petty graft; better far an honest citizen on a relief basis, than a shirker on a pay roll, no matter for what reason, political or otherwise, he may be on that pay roll.

What we do in the future in regard to the W. P. A. is not alone a matter of money; it is a matter of our national morale. A nation financially bankrupt can recover; a nation with shattered morale is doomed.

The SPEAKER pro tempore. Under special order of the House, the gentleman from Illinois [Mr. MASON] is recognized.

THE FAILURE OF OUR NEW DEAL ECONOMIC PROGRAM

Mr. MASON. Mr. Speaker, if I were to ask to speak for an hour on the failure of our New Deal economic program, I could do it without any preparation whatever, because I am as full of that subject as the distinguished gentleman from Ohio [Mr. JENKINS] is full of the T. V. A. subject. If I were asked to speak on the subject, the failure of our New Deal economic program, for 15 minutes, I would want several days to prepare it; but I am going to speak on the subject now for 3 minutes. That means that the material has been boiled down and condensed so that every word of it is important and every statement is at least pregnant with meaning.

I offer that condensed, boiled-down statement to you now.

Mr. Speaker, the recent meeting of the United States Chamber of Commerce held in Washington has brought about an economic soul-searching among New Deal leaders. Conference after conference and meeting after meeting have been held at the White House and elsewhere by Government economists from the different departments in a desperate attempt to justify the New Deal program of "recovery through reform," or "abundance through curtailed production."

Mr. Speaker, the per capita yearly income of the United States has fallen during the last 10 years from \$653 per person per year to \$490 per person per year, while during the same period of time the per capita income in Great Britain has increased from \$417 to \$507, placing Great Britain ahead of the United States on the basis of per capita income. This significant change in income trends has caused a searchlight to be thrown upon the economic theories that govern these two nations. Great Britain's policy is based upon two fundamental truths, namely, "You must produce before you can have," and "A balanced budget stimulates production." The New Deal policy has been "recovery through reform," artificially stimulated by a "borrowing-spending" program. Results over the past 10 years show conclusively which of these two nations is following a sound economic policy and which nation is not.

Mr. Speaker, we have learned through bitter experience that raising prices by artificial means, such as curtailment of production, decreases national income; also that subsidizing the unemployed lowers the national income instead of raising it, because it means sharing the income. The New Deal economic mistake was epitomized recently by the economic writer, H. B. Elliston, in the following words:

Income is not produced by waving magic wands nor by rubbing Aladdin lamps. Income can be produced or increased only by the Old Deal program of work and sweat. The New Deal's attempt to substitute ethics for economics has failed.

Mr. Speaker, as a result of the constructive suggestions that were made at the recent meeting of the United States Chamber of Commerce, and also as a result of the facts that have been developed at these soul-searching economic conferences, we can begin to hope that proper emphasis will be given from now on by administration leaders to well-established economic principles in their recovery program. We can also hope that hereafter the administration will cease demanding from business cooperation in half-baked, unsound, discredited recovery schemes and will evidence a willingness to cooperate with American business along sound, time-tested, economic lines. In that way we may hope to regain first place among the nations of the world upon a per capita income basis. This can only be accomplished, however, through a program of real cooperation on the part of both Government and business, and real cooperation is not a one-sided arrangement. [Applause.]

EXTENSION OF REMARKS

Mr. TAYLOR of Tennessee. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and incorporate an article by Hon. Eugene Talmadge, former Governor of the State of Georgia.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. CANNON of Florida. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein House Joint Memorial No. 7 of the Florida Legislature.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. Under special order heretofore entered, the gentleman from California [Mr. VOORHIS] is recognized for 15 minutes.

Mr. VOORHIS of California. Mr. Speaker, one of the keys to a prosperous condition in the modern industrial world is necessarily to be found in the relationship between money on the one hand and goods and services on the other. As long as you operate your business on the basis of credit it must necessarily be true that a deflation in the amount of money in circulation makes goods worth comparatively less and dollars, including debt dollars, worth more. This encourages foreclosure, the taking over of property by people who deal in money; whereas an increase in the volume of money in circulation, particularly if it be geared to an increase in productive capacity, means an increase in the value of goods and services in terms of money, hence a better chance for the great mass of the people. With these few ideas as a basis I shall try this afternoon to discuss some of the matters that have already been brought to the attention of the House today.

In the first place, I am eager to see the Government cooperate with every earnest American who is seeking a way out of our difficulty. I am deeply impressed, for example, by an article on taxation in the Fortune Magazine for the current month, and by the very large number of tax principles in that article which they call "the area of agreement," where 15 people, well-informed people of every kind of background, have agreed on what seems to me to be a very constructive program and one with which I could, on the whole, go along very well. This is an example of what can be done with a tough problem when everyone honestly tries to work out a solution. But I wonder what the price is for us who look at the thing from the standpoint of the people rather than from the standpoint of the value of the

dollar—I wonder what the price is of "cooperating" with—I will not say American business, but with some of the people who at least dominated the Chamber of Commerce convention. I happen to have clipped from the paper the account of the price of that cooperation. It calls for repeal of the wage-hour law, the Silver Purchase Act, the power to issue \$3,000,000,000 in money, and the cotton subsidy plan.

It calls for a promise not to enact the Borah-O'Mahoney Federal licensing bill for the overhauling of the Federal tax laws in the interest of business recovery—if I knew what they meant by that, I might be for it—replacement of the W. P. A. with a different relief set-up, revision of the Securities Act to encourage "a broad and free flow of the stock market"—which did not help much in 1929—a drastic change in the Wagner Labor Relations Act, and a sharp curtailment of Government expenditures. The sole question is how much vital, important, necessary social legislation for the protection of the mass of the American people has got to be wiped from the statute books before it will be possible to satisfy those who ask for what is termed "Government cooperation." For my own part, I believe that if a mistake has been made in the last few years it has been that we have not been simple enough, we have not been direct enough, we have not been sure enough about the direction of the policy so that now we are in a position where it is believed by some that most of the social reforms can be destroyed if only enough noise is made about it.

SHALL WE SPEND OUR PEOPLE, OUR LAND, OUR RESOURCES TO MAKE DOLLARS WORTH MORE?

I think the question is largely this: Do we propose to spend people, to spend land, to spend natural resources in order to enhance the value of the dollar, or do we propose to spend money, a large part of which will be returned to the Treasury, in order to save land, in order to save natural resources, in order to see to it that people are actively engaged in work if they cannot find it in any other way?

The T. V. A. has been referred to this afternoon, and I am led to ask certain questions in connection with the discussion. For example, are those who oppose the T. V. A. really against the influence that that enterprise has unquestionably had in raising the standard of living of the people? We frequently hear it said that the T. V. A. has caused people to buy electrical appliances. This is put forth as a criticism of T. V. A., and I cannot understand it. We heard this afternoon criticism of its agricultural program. I believe that anybody who knows anything about our agricultural problem, our soil-conservation problem, will approve the things that have been done.

One of the finest things about the program is that the farmers are not so much "being helped" as they are helping themselves. In 122 counties in the Tennessee watershed farmers have organized conservation associations and are voluntarily applying soil and water conservation methods through them. The T. V. A. furnishes fertilizer for cover crops; the soil of this section of the United States is being revitalized with benefit to this and future generations. Now as to power: Those who oppose T. V. A. must answer the question of what would happen to the potential power resources of this country if they are not developed by some public agency like the United States Government? I am not in favor of taking away from anybody without due compensation anything that is his; but I am in favor of seeing the American people hold on to every single source of electrical energy that remains in this country and to keep it forever as a heritage for their children. [Applause.] I do not see how there could be any question about the right of the United States Government to do a thing of this kind. This power is a gift of God to all the people of the Nation. I do not see how anybody can justify an implied suggestion that instead of having the United States Government do it that he would prefer to see this great enterprise go back into the hands of some private interests; for, after all, one must remember that the power business, like a number of other businesses in this country, is essentially a monopoly enterprise. It cannot be economically justified to develop and distribute power on any

other basis. If it is not run on that basis it is utterly wasteful. So either we must have public-power development or we must permit the Power Trust to extend its control over the people's resources and their incomes. I have had some very interesting experiences in this connection. I live in southern California. It happens that the city of Los Angeles has its own bureau of light and power. Rates have been reduced in that city seven times in the last few years. I happen not to live in a section that is served by the bureau of light and power. I live out in the country beyond it, and I have run there a boy's school for a number of years.

We bought electric energy from a private power company at wholesale for 1 cent a kilowatt-hour. Why? Because we have a situation where that power company is right side by side with a public agency in the city of Los Angeles. Therefore, they both get along all right. That to me is an example of the way that the yardstick really functions, and I believe in it.

THE "COST" OF T. V. A.

We hear a lot about all the money that is being spent on the T. V. A. To tell you the truth, it makes me quite irritable, because the fact of the matter is that the cost of the T. V. A., the total expenditure which is properly allocated to power, will be paid back with interest in the course of a short time, and within 60 years the principal cost of all other expenditures of the T. V. A. will be paid back to the Treasury out of the revenues. Revenues will run \$20,000,000 annually after the project is completed. No wonder those who are afraid of cheap electricity do not want to let us finish the development.

Another thing that has been said is that we have an enterprise in the T. V. A. that has been "robbing somebody." Well, I do not know how you can interpret it as robbing people when you cut their bill for electric energy in two. I do not see who is getting robbed by a situation of that kind. As a matter of fact, the net result is to put money back into the pockets of the consumers which they otherwise would have to pay out in the form of too large an expenditure for this item, thus permitting them to spend it for other items.

FAIR DISTRIBUTION OF CONSUMER'S DOLLAR

While talking about the central problem of this age, which is the problem of an adequate volume of consuming power in the hands of the people, we must remember that one of the things that needs doing in this connection is to be sure that all industries get their just share of the money spent by the consumers of the Nation.

That is the very nub of the agricultural problem. Agriculture has never received its proper share of the consumer dollar. Certainly it is necessary, therefore, if we can do it, to prevent too much of that consumer's dollar going into the hands of a private monopoly of electric power. T. V. A. helps to prevent this. To my mind, that is the most important fact about this great project.

The T. V. A. is one of the great developments of modern times. It is democracy working out its problem of conservation of resources, both human and natural, in a way that preserves all the best values of our Nation. I wonder whether it really is true that the Republican Party proposes, if by any chance it should come into power at any time in the future, to eliminate that great enterprise from the Nation? I cannot believe that it will.

THE TRICKLE THEORY VERSUS THE SEEPAGE THEORY

As I see it, the difference between various groups of people in this country can pretty well be boiled down to this example: It is the difference between the trickle theory, on the one hand, and the seepage theory on the other. I am against the trickle theory. I am in favor of the seepage theory. The trickle theory which is certainly the one upon which the Republican Party stands holds that if you just get enough money in at the top, make a few people and a comparatively few corporations well enough off, some of it will trickle down to the American people and they will be able to get along. At any rate, if they are not able to get along,

their character will be greatly strengthened by the struggle they will have to go through.

The seepage theory, on the other hand, holds that the solution to our problem lies in an increased buying power on the part of the masses of the people—the farmers, the wage earners, the unemployed, in fact all groups of American people; and if that happens, not only will the general welfare be served but the only real key to business prosperity, and prosperity of all kinds, will be found; this has been and must, as I see it, continue to be the position of the Democratic Party. Therefore, if we really want to find what the difficulty is at the present time, I do not think we will have to look very far. Is it not clearly true that whereas there may be minor causes for our slowness in business, if the businessmen of this country knew that there was waiting for their goods a substantial, dependable cash demand on the part of the consumers of this country, we would quickly get an activity in business? Furthermore, I do not believe you can get it in any other way. I do not think capital goods is the answer, for after all, capital goods are only of value when you have the consumers to purchase the production that ultimately they will turn out. Our problem is to find the way to maintain that consumer demand without increasing debt to do it.

WE HAVE MADE MISTAKES

I am going to say a thing that may be too honest, because I think my own party has made mistakes. Some members of that party have helped the gentlemen of the minority to cut the W. P. A. at the wrong time and to cut it too much. I think, instead of that, we have to make up our minds there that that program—or I will grant you perhaps a better program which could be devised if we put our minds to it—has to be sustained until actually we find those people have gone back into private industry. I do not know of a single person on the W. P. A. who would not go back to private industry if given a chance and a reasonable assurance that he could get back on W. P. A. if after a short time his private job gave out.

Mr. HEALEY. Will the gentleman yield?

Mr. VOORHIS of California. I yield to the distinguished gentleman from Massachusetts, one of the most earnest Members of the House.

Mr. HEALEY. May I say that on yesterday the Committee on Appropriations, investigating the Works Progress Administration, had before it a number of the mayors of large cities. In the opinion of one of the mayors of these cities, 95 percent of the W. P. A. men, or men on the W. P. A. rolls, would jump at the chance tomorrow to get a job in private industry.

Mr. VOORHIS of California. I thank the gentleman. I know that myself to be true.

The second thing I think we have made a mistake about is that the operation so far of our Social Security Act has been more or less deflationary. I think that can be corrected. I believe we should seize upon what has become one of the greatest movements this country has ever seen, namely, the movement for a real retirement pension in this Nation, and I think we should work with that movement and see if by the method of retirement pensions we will not get the machinery for sustaining a continuous, steady consumer demand on the part of the people of this Nation.

Great Britain was mentioned a while ago, and it was pointed out that Great Britain has done better than we have. I am not going to enter into a controversy about that. Personally I believe Great Britain's problem is tremendously more simple than ours and that we have done, on the whole, better than any other nation in the world, but not nearly as well as we should have done. Britain's budget has been balanced, true, but Britain's budget has been balanced because Britain levied the necessary taxes to balance its budget. That is a course of action that we have not always been ready to pursue. Some of the gentlemen who argue the loudest about balancing the Budget are the ones who argue also that we must reduce certain taxes. We made a mistake, I think, in not changing our income-tax law so it would yield greater revenues.

I say that with the explanation once again that I am not opposed to simplification of taxes. I believe we should have

it. And I also think we should reduce taxes on active business and on consumption as much as we can. Individual taxes, inheritance taxes, are another matter.

[Here the gavel fell.]

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

FOR A STABLE DOLLAR AND ADEQUATE CONSUMING POWER

Mr. VOORHIS of California. Finally, I think another thing we have done wrong is that we have insisted on buying back our own national credit with bonds instead of using the credit of the American people for their benefit based on their increased capacity to produce. Thus we have had an increase in public debt, replacing the increase in private debt which took place all through the twenties. Now, what is the answer? Let me illustrate. We will say we have a national income of produced goods and services of \$80,000,000,000 in a given year, and we will say that \$60,000,000,000 of that is currently spent for goods and services. The other \$20,000,000,000, we will say, is all invested. None of it is hoarded, none of it is saved, but all of it is invested currently. A part of that investment, it is true, will go into the payment of wages of the people that create the new capital goods, but part of it necessarily by the very definition of investment is tied up in or stored up in the productive equipment. This means, then, that that \$80,000,000,000 of goods and services cannot be all taken off the shelf and sold and that you will fail to take it off to the extent that a portion of that \$80,000,000,000 of goods and services produced which was our potential total purchasing power was tied up in new capital goods. The next year, on the other hand, those new capital goods mean an increase of potential production over what you had before, and therefore an increase in active buying power is called for.

I am convinced in my own mind that one of the essential elements in any solution of our problem has to be that our Government has to exercise its constitutional and proper function of bringing into circulation year by year a sufficient amount of new interest-free money and pay it into circulation through old-age pensions or in some similar fashion, in sufficient amount to keep the volume of money in line with the increased capacity of the Nation to produce wealth. Unless this is done the only way consumption can possibly keep up with the growth of productive capacity is by an increase in borrowing and debt—either public or private.

I mentioned a while ago the difference between the trickle theory and the seepage theory. I want to make it plain again I am an advocate of the seepage theory. The trickle theory I do not believe will work. I am not opposed to people making money but I just do not think it is the whole answer to our problem by any means.

I have an article here that has already been referred to in the House.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from Texas, who has made such splendid contributions to our thinking in this monetary field.

Mr. PATMAN. The gentleman realizes that Mr. Hoover tried the trickle theory back in 1931 and 1932 and it failed to work.

Mr. VOORHIS of California. Exactly. And if carried to its logical conclusion it would have meant a balancing of the Budget at zero with no income and no outgo. I thank the gentleman very much.

This article was published in the Chicago Evening American in a column by Mr. Robert P. Vanderpool. In this paper he points out that the average earnings of American industry in the last 3 years have been 8.3 percent, whereas in the years 1927 to 1929 the earnings were only 6.5 percent. I just do not know why we should be worried. I have some other figures here from Moody's Industrial Securities which show that one great automobile concern, for example, had

net earnings in the first quarter of 1929 at the rate of 34 percent, and a great electrical corporation at the rate of 15 percent.

We have just not gotten the trickle. I have already explained what seemed to me to be the central thing. Let me just say this one thing. The simple way to put it, I think, is to say that you cannot eat your cake and have it, too. You cannot have people accumulating great amounts of wealth and still have the same people have a market in the masses of people for the very commodities they want produced and sold. Neither can you save and hoard great amounts of your current national income and at the same time have your investments profitable, because the profitability of those investments depends necessarily on the capacity of the consumers of your Nation to take them off the shelves.

Mr. EATON of California. Mr. Speaker, will the gentleman yield for a question?

Mr. VOORHIS of California. I yield.

Mr. EATON of California. I understand that a member of another great legislative body the other day made this statement in substance, that no government could borrow itself into prosperity any more than a man could drink himself sober. Does the gentleman agree with that statement?

Mr. VOORHIS of California. Of course I agree with it, but I have already said that I believe the Government had been borrowing money for purposes for which we ought not to have been compelled to borrow. I do not believe we ought to have to borrow money to build the T. V. A. I believe we have a perfect right to do exactly what private finance does to finance any revenue-producing project of that kind. Private finance would loan money on the security of the borrower. I believe the American Government ought to be able to do that same thing in effect, by advancing the national credit against the revenues of a project of that kind; or by creating deposits in favor of States or cities, for example, on the security of their bonds.

Further, I do not believe we ought to find it necessary to borrow our own national credit as we have in the past, provided that we base our money on the only really sound base, namely, the wealth-producing capacity of this Nation. I will say this to the gentleman, that I do not believe, either, that you can starve yourself into prosperity, and that the reason the New Deal has borrowed as it has and the whole explanation of the New Deal deficit has been this; that if private business does not borrow under our present monetary and banking system, Government must if we are to have a circulating medium at all, because we depend on bank credit created by the banks for the purpose of making loans for our circulating medium, 95 percent of it. I am not defending that system, but I am saying that is the explanation of the New Deal deficits. I do not like to borrow any better than anyone else, but we must go on borrowing and borrowing and borrowing until we change the way in which we bring our money originally into circulation and recognize the constitutional right of the Nation in this regard. [Applause.]

[Here the gavel fell.]

PERMISSION TO ADDRESS THE HOUSE

Mr. TAYLOR of Tennessee. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. TAYLOR of Tennessee. Mr. Speaker, on April 18 last, in the course of my remarks on the so-called stabilization bill, I stated that I had been informed that Mr. Henry Morgenthau, Sr., the father of the present Secretary of the Treasury, was a major partner of the firm of Kuhn, Loeb & Co. I have since been informed, upon what I consider reliable authority, that I was in error in this statement; that Mr. Morgenthau is not now nor has ever been financially interested in this firm. I certainly would not intentionally do Mr. Morgenthau or anyone else an injustice, and I make this explanation accordingly.

ARKANSAS-MISSISSIPPI BRIDGE COMMISSION

Mr. CHAPMAN submitted a conference report and statement on the bill (S. 964) creating the Arkansas-Mississippi Bridge Commission; defining the authority, power, and duties of said commission; and authorizing said commission and its successors and assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near Friar Point, Miss., and Helena, Ark.; and for other purposes.

EXTENSION OF REMARKS

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a speech delivered by Mr. Fred W. Sargent, president of the Chicago North Western Railroad, containing some very helpful information which I think will be useful to the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

THE ONLY ROAD TO PEACE

Mr. BENDER. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes following the remarks of the gentleman from Minnesota [Mr. ALEXANDER].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. ALEXANDER. Mr. Speaker and Members of the House, I come before you today, before the people of America and of the civilized world, with a deep sense of humility and of my own inadequacy to do more than to attempt to present for discussion a suggestion for a solution of the greatest problem of our era.

The world is aflame with war passion. The crucial time has arrived when, in spite of all that has been attempted for peace through what has been called "appeasement," the world seems hurtling headlong toward war and carnage.

Notwithstanding our geographic isolation, we are very liable to be involved in case of the outbreak of a general war, and it is conceivable that in the course of such a war we might ourselves even be attacked.

It is apparent to every thoughtful person that this horrible world situation and these international antagonisms can be subdued, if subdued at all, only through spiritual intervention—that is, by divine interposition. It has been well said within the week that what the world sorely needs is not military rearmament but moral rearmament.

From the mass of letters reaching me, and from innumerable other signs, we all know that millions of sincere prayers are ascending on high every day in a continuous volume of supplication for peace.

It seems to me that there is but one answer to this problem of preserving peace, and that there is one human being in the world at this moment better qualified than any other to take the leadership for peace. His inherent qualifications and universal good standing, the profound reverence and respect in which both he and his high office are held would make it possible for him to act under the guidance of the all-wise Creator as a leader in this momentous matter of peace. In order that we may avail ourselves of divine inspiration, and that spiritual guidance in this dark hour can be invoked to save an all-too-material world, the one to whom I refer is Pope Pius XII.

It is so clear as to be indisputable that there is no solution and no hope for escape from the confusion and the cross purposes of materialistic greed and lust for power, except by the one and only method of applying the spirit of brotherly love. That is why I suggest that the one best fitted by training and position in the whole world to exert that spiritual leadership of brotherly love is the temporal and spiritual head of the great Catholic Church.

I was not born a Catholic. I was not reared a Catholic. Not being a Catholic, I feel that this suggestion coming from me may at least be considered more unbiased than if it came from a Catholic.

We in America, all being citizens of a peaceful and Christian nation, are especially qualified to urge such a movement and to subscribe to its objectives.

This question of peace is not a partisan question. It is not a religious question. It is not a racial question. It is not a geographical question. It is far too great a problem, involving as it does the lives, the happiness, the treasure, of all the peoples of the world—aye, of civilization itself—to allow any sense of partisanship of any character to have any place in its consideration.

I must confess, my colleagues, that my heart has burned within me as I have noted how political partisanship has been allowed to have a place in the considerations and discussions of the paramount problem of how to avoid war and to maintain peace. Any Member of Congress worthy of the title should be and is too humane, too broad, too devoted to the principles of humanitarianism, to allow partisanship to have any place in his consideration of this, or any of our other great unsolved problems, such as unemployment—which is second only to war in importance—such as crime, disease, or human suffering. Our democracy was dedicated by its glorious founders to a civilization which should be free of these great plagues, and partisanship must stand aside, while we bear aloft the torch they so nobly lighted that men may enjoy life, liberty, and happiness.

There can be no such enjoyment so long as war and these other great pestilences are allowed to persist.

And if there is no place for political partisanship in our attempt to solve these questions, there certainly is much less place for religious partisanship in the consideration of so great a need as ours, to preserve peace. Why should we not, to save ourselves and the world from war, all join hands together—Protestants, Jews, Catholics, and nonbelievers—behind the Pope?

I believe that we all can agree by now that no ordinary human logic or political device can save us from war. Some of us have known this for years. No nationalism can cure an international disease. The cure must be a spiritual one, conceived and applied in the highest degree of brotherly love. Can such an application of world-wide, brotherly, good will win? There certainly is no risk in making the attempt. If the attempt fails, we are no worse off than we are now. If it succeeds, it will have been a thousand times worth the effort.

Who is there who does not believe that if the peoples of the world and the governments of the world and the leaders of the world had put the same amount of intelligence, work, and money into a purpose of achieving world-wide peace and prosperity that have been put into efforts, selfish in their conception, ruinous in their application, and at the expense of others, that we would be today facing the question of such a world conflict as we are?

If we do not make the supreme attempt to solve this problem along spiritual lines, we shall face the risk of the destruction of civilization and a reign of chaos that will give us a new era of the Dark Ages.

Again I ask, who is better qualified and prepared to apply this one cure of world fellowship, of brotherly love—to provide this needed leadership to guide the world up the road to peace—than Pope Pius XII?

He has spent his life in training in religious and international affairs. His whole view is necessarily world-wide and clouded by no narrow nationalism. He has been in the heart of the sore spots of Europe for years. He knows North America well. He has brought to the Papal office a fresh vigor and a high idealism. He has made no mistakes of a political nature, which would antagonize the dictators, or the peoples of the totalitarian states. He has not chosen sides and therefore has not become unpopular in certain European capitals, nor has he indulged in any oratorical outbursts against the militarists. He is, especially to the Catholics in every nation and corner of the globe, the representative, on earth, of the Prince of Peace. What more fitting personage and personality could be found anywhere to take the lead in

a supreme effort to prevent war, to call a real world peace conference than the Holy Father at Rome? His life, devoted to the study of peace, fits him for just such an emergency as this.

The stage is set. The world is in tragic and bewildered despair. It trembles on the brink of a carnage which will bathe the globe in blood and wreck the work of centuries in achieving a civilization in which men may rise above the level of brute beasts and express themselves as the image and likeness of infinite love and infinite intelligence.

The day is here, the time is ripe, for us and for all good people everywhere, through their priests or ministers or leaders, to call on the bishops of the world's churches to request the Pope to invite the heads of all nations to gather around the peace table either at Rome, at Geneva, here in Washington, or at any other place thought suitable, to stop the onrush of this senseless conflict.

If such a conference could be called, there could be a truce in all military activities. Military preparedness in every nation could be postponed while we get together around the conference table to solve our economic, political, and other international problems on a basis of love and fellowship.

Of course, there is the risk of failure in this undertaking, but why should that give us pause when the alternative, if we do not make the effort, is war, and succeeding chaos. Is any effort too great to attempt, in order to escape such a fate for the world?

A great hope was born in the heart of the world last month when the President sent his message to 31 nations suggesting a conference. The chief weakness in that message was that it was addressed to Germany and Italy, not by an impartial mediator, but by a statesman who had already chosen sides and who had a stake in the outcome. The President's message also attempted to relieve us in this country of any responsibility for such political readjustments in this complex international situation as cannot be divorced from those economic changes essential to a just peace.

I have before me an international news dispatch from London dated Saturday, May 6, which reads as follows. I quote:

Reports stating Pope Pius XII energetically interceded to forestall a precipitate move by Adolf Hitler against Poland were published today in British newspapers. The London press also reported that His Holiness, having consecrated May as a month of prayers for peace, launched efforts to bring about a reconciliation between France and Italy as part of his endeavors to help prevent a European war.

It is apparent from that quotation, and from additional despatches today that the stage has already been set for us to request the Pope to undertake this greater objective which I am suggesting. It is the only true road to peace. There is no other way open to us at this time. If the way of peace does not lie in this direction, then the world is indeed bereft of hope and the future is dark.

There might be another way, under other circumstances, and that other way I may discuss at some later date if it seems propitious, but to prevent war now and to preserve peace this year I believe we must take immediate action to bring about, under the guidance of the Pope, the peace conference which I suggest.

Other ways may look more tempting to us. Other ways may be suggested which may appear to be more agreeable because they do not require us to do anything, but these other ways have all failed, and are failing day by day as we draw nearer the awful catastrophe so graphically described by the California poet, John Blunt, when he said:

Look where you may the mortal foes are gathered.
See their campfires' glare!
A falling leaf, a stricken bird, a hot dispute, a hasty word—
Then clash of arms and world-wide strife!
Then—all mankind in flight for life.

Yes, Mr. Speaker, we all know these other ways—isolation, neutrality, economic sanctions, measures short of war—they may sound encouraging, but they do not work out in actual

practice when put to the test. Oh my friends, why be blinded by these high-sounding phrases? If war occurs, you know, as I know, America will be there at the crisis. Men will be persuaded that victory finally may be achieved again by war, which they will be asked to fight as a protest against the disturbance of international security and in order that they may procure the enjoyment of peace after the war.

War is not peace. There is no such thing as achieving a peace by war. Peace is achieved by preventing and escaping war. Why not act now for peace before it is too late?

Under the theory of isolationism, even though we were not drawn into the conflict under arms, we in America would be sorely affected. Our business would stagnate, our stock markets would be closed, our every commercial activity would be dislocated and thrown out of adjustment, our whole mode of life would necessarily feel the impact of this horror brewing in Europe if once it breaks out.

If war comes in Europe, can we stand the strain of the unusual conditions which will be produced and the necessary concomitants, of more national planning, regimentation, allotments, quotas, Federal supervision, the army of control inspectors and all that goes with a restricted national life, mechanically managed to fit isolation?

Who doubts that there is but little brotherly love expressed in the philosophy of either isolationism or neutrality?

"GOING DOWN THE ROAD TO WAR"

The May 4 announcement of the Gallup poll shows the next phase of the problem as we unmistakably go down the road toward war. There is a great danger that perhaps many will even be misled or fail to grasp the point inherent in the conclusions ascertained by that poll. Here is what it says our mass thinking sums up to in the country today, on the question of war. I quote Mr. Gallup:

First, there is overwhelming sentiment that the United States should stay out of any war that develops in Europe. Second, a majority of the public wants to give all possible assistance to the British and French, short of going to war, in the event that war does come.

The first principle is not new, it has been the guiding idea of American foreign policy and public opinion since shortly after the armistice.

Of course America wants to stay out of war. I am receiving thousands of letters expressing that sentiment. We in free America are unanimous on that. I received a letter a few days ago which made it completely unanimous—a letter from the N. A. M.—the National Association of Manufacturers—telling a dozen reasons why they do not want war. I wrote them immediately and congratulated them for even thinking about the subject. That indicated real progress, and I was so encouraged because of their letter that I decided to go ahead and make an attempt, through this suggestion which I have presented, to save my three sons and the other millions of noble boys throughout the world from a worse destruction than we 40,000,000 participants faced in 1917 and 1918. Indeed, I can say, like Sophocles, in *Oedipus Tyrannus*—

My poor, poor children! Surely long ago
I have read your troubles. Stricken, well I know
Ye all are, stricken sore; Yet verily
Not one so stricken to the heart as I.
Your grief, it cometh to each man apart
For his own loss, no other's; but this heart
For thee and me and all of us doth weep.

Surely we want to stay out of war, but here we have, according to this Gallup poll, a majority in favor of aiding the French and British in case of a European war; 82 percent in favor of selling them food supplies; 57 percent in favor of selling them war materials. The surest way in the world to embroil us is this way. It is the exact way we got in in 1917. And this collective majority is for it, in the face of the added fact that the same poll indicated that a majority of the replies said, I quote: "They expect a European war to come before the end of 1939." And if we don't get in in Europe, undoubtedly we will in the Pacific and the Orient, as I pointed out in my remarks, which appear in the CONGRESSIONAL RECORD of February 22. So in God's name let us do something about it, something constructive, before it is too late.

In the name of peace and of humanity, in the name of the youth of America and of the world, who always bear the burden of war, in the name of the mothers of men, and, finally, in the name of Christianity, I beg you to urge the Pope to call a world peace conference to stop this impending war slaughter and to make possible the cessation of this ruinous and senseless spending for war. We should act at once. We must act at once. Will you do it? [Applause.]

Mr. Speaker, I ask unanimous consent to insert along with my remarks extracts from the speech of the Duke of Windsor, which was delivered yesterday afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The extracts from the speech of the Duke of Windsor are as follows:

I speak simply as a soldier of the last war whose most earnest prayer it is that such cruel and destructive madness shall never again overtake mankind.

It is in a larger spirit than that of personal or purely national interests that peace should be pursued. The statesmen who set themselves to restore international security and confidence must act as good citizens of the world and not only as good Frenchmen, Italians, Germans, Americans, or Britons. The benefit to their own nation must be sought through the benefit of the wider community of which we are all members.

I appeal to them especially in the name of the youth of the present day, with all its incalculable potentialities of future service of the human race. The world has not yet recovered from the effects of the last carnage which in each and every country decimated my generation. The greatest success that any government could achieve for its own national policy would be nothing in comparison with the triumph of having contributed to save humanity from the terrible fate which threatens it today.

Mr. ALEXANDER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following article:

LESSONS FROM THE PAST

On April 2, 1917, Woodrow Wilson delivered his famous message to the Congress of the United States of America, announcing our entrance into the World War. He assured us that the only object was to make the world safe for democracy. It turned out to be the end of democracy. However, our allies took us at our word.

When our boys began landing on French soil, the French Government made us pay duty on every can of beans, on every kind of food, on all the war supplies which were being shipped into France to help save the hides of 50,000,000 Frenchmen who, it is said, "can't be wrong."

When the war came to an end, the French Government tried to impose another duty on the same food and supplies which were left over before allowing us to bring them back home. Finally, in order to settle the argument, we sold the remaining stocks to France at a loss of approximately one and a half billion dollars.

When it came time to send American soldiers across the pond, the Allies furnished some of the necessary boats. But they charged us from \$140 to \$180 for every man thus landed on French soil.

The United States even paid damages to France for the ground on which the American armies fought, and as the war progressed we paid also for property destroyed by the exploding of American shells.

While in France our soldiers dredged her harbors, built docks, and erected thousands of miles of telephone and telegraph lines—all of which remained as permanent improvements to the country.

We built hundreds of miles of railroads on French soil, which roads are still there, being used for transportation purposes until this day. Thus we contributed to the industrial development of the Nation.

And now, after 22 years of dickering, our former allies refuse to pay their honest war debts, leaving it to the people of the United States to carry this crushing tax burden. Only little Finland has done the right and honorable thing in this matter. She alone has kept her promise.

It is estimated that, by the time all of our war obligations are met, we will have made a total investment of no less than \$150,000,000,000, to cover the sorrows of 1917 and 1918. And this does not include the bloodshed, the heartbreaks, the blasted homes, and broken bodies!

WAR NEVER PAYS

One hundred and fifty billions of dollars would—

Pay the cost of running the public, the elementary, the high schools, the universities, and the colleges of the entire Nation for 51 years.

It would build nearly 6,000,000 miles of paved roads, which is about nine times the mileage of all surfaced roads now in use in our good old United States of America.

It would construct 38,250,000 six-room houses, or enough to house, with a new home, every family in the good old United States of America.

It would construct 48 hospitals costing a million dollars each, in every one of the 3,073 counties of our good old United States of America.

It would pay the unemployment-insurance premiums on all employees of business and industry of the United States for more than 300 years at the New York State rate.

PERMISSION TO ADDRESS THE HOUSE

Mr. HUNTER. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes following my colleague the gentleman from Ohio [Mr. BENDER].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

GONE BUT NOT FORGOTTEN—THE BUREAU OF THE BUDGET

Mr. BENDER. Mr. Speaker, within the memory of men yet living there was a distinguished Comptroller General of the United States. Comptroller General McCarl was known to all and sundry as the "watchdog of the Federal Treasury"; and a stern and respected guardian he was. Throughout the length and breadth of the land there were wild rumors of early new dealers tearing their hair and sobbing bitterly into their cups as the McCarl red pencil flew decisively and accurately through dozens of pet projects.

Mr. McCarl's job was simple enough. His was the task of reciting the "noes" which occasionally interrupted the unending chorus of "yeses" which greeted the epoch of 1933. It is not difficult for us to understand the bitter opposition to McCarl's work which agitated the Washington night air. And the word was not long in circulating throughout the land, "McCarl is through."

He was, and with his passing the effort to check the free and easy spending of Federal tax funds came to an end. For a time Budget Director Lewis Douglas sought to carry on the tradition of his predecessor; but the battle was too unequal. No one interested in maintaining his position within the New Deal orbit could long hold out against the overwhelming pressure from above. Douglas quit, and the battle was over.

Today our National Government deludes us into thinking that there are two agencies in Washington which supervise the expenditure of funds, the Bureau of the Budget and the General Accounting Office. The average businessman knows that if he wants to borrow money from a private banking corporation he must first submit a very accurate statement of his business, its assets, liabilities, and prospects. He would expect his Government, with its splendid facilities for accountancy, bookkeeping, and statistical research to boast the most up-to-the-minute set of books in the Nation. With a General Accounting Office and a Budget Bureau each in active operation we have the right to know everything worth knowing about each and every Government agency, activity, and spending program.

Yet the plain and shocking fact seems to be that we know very little indeed of what is going on in the inner financial circles of the Nation. A report of recent years showed that there were on hand inventories amounting to some \$2,000,000,000. There was enough paper on the shelves of Government warehouses to supply all the needs of our most fruitful New Deal minds for 7 years. But when the annual deadlines rolled round once more each department was in with its request for more supplies. There is reason to suspect that the lead in our governmental pencils has been rotting so long in storage houses that it has turned literally useless. Paper has become sere and yellow of old age.

We cannot lay the blame for this sorry situation at the door of our Budget Bureau or the G. A. O. White House policymakers determine the activities of the one-time watchdogs of the Treasury. Theirs is no longer to reason why; theirs is but to do and die. A private corporation would look with ill-disguised anger upon its accountants who discovered peculiar bookkeeping arrangements within its departments and remained silent. Brain trusters have reversed the process. They look with obvious hostility upon every effort to criticize the far-flung activities of even the most insignificant New Deal agency. When Mr. McCarl first dared to point a finger of suspicion at the accounting procedure of the T. V. A.

he was labeled a "reactionary" of the worst order. His utterances on every subject were probed for sedition against the new order. And he was convicted on the most unpardonable charge of all—opposition to the New Deal spending orgy.

Mr. THOMASON. Mr. Speaker, will the gentleman yield?
Mr. BENDER. Yes.

Mr. THOMASON. Does the gentleman know that the record of the T. V. A. investigation discloses that the officials of the General Accounting Office, when asked if there was any graft or defalcation of any kind in the T. V. A. answered that there was not? The record shows that, and I can give the gentleman the page and testimony.

Mr. BENDER. I am not discussing the graft angle at all. I am discussing the inefficiency, the carelessness, and the looseness of the operation of the Federal Government. Since the passing of McCarl from the scene, the Bureau of the Budget has existed only to collect the estimates submitted by each department and to turn them in to the White House offices. Only routine matters occupy the minds of the Budget and Accounting Office. Meanwhile we have a large list of governmental corporations claiming assets amounting into the millions, and no one has ever checked their records. No one has investigated their inventories. Holdings of such vast agencies as the Reconstruction Finance Corporation are currently reported in the national press, and while no one has reason to doubt their accuracy, some one in our national system should be charged with the duty of confirming each report.

As matters stand, some of the best accounting brains in the country are being wasted upon the Washington scene. They are used to tote up figures and render statistical analyses when they might be busily and profitably engaged in drawing up a clear-cut picture of the Nation's resources, assets, and liabilities, upon which we might base our program for the future. The success or failure of every New Deal experiment is a matter of vast importance for the United States of tomorrow. We can reach no intelligent determination on this vital point until we have before us in minute detail the balance sheet of America today.

The New Deal has drawn the teeth of the Treasury's watchdogs. Let us hope that we shall have no occasion to regret our dentistry. Let us hope that in the not too distant future we shall again have dogs who can bite as well as bark.

The SPEAKER pro tempore. Under special order heretofore made the gentleman from Ohio [Mr. HUNTER] is recognized for 3 minutes.

OLD-AGE PENSIONS

Mr. HUNTER. Mr. Speaker, there are in my district more than 10,000 men and women who have, during the 3 years I have served in the House of Representatives, kept me constantly informed of their interest in the passage of certain legislation now bottled up in the Ways and Means Committee.

I am confident that every other Member of this House has in his own district other thousands who are vitally interested in this legislation.

During these 3 years there have been constant efforts to get the bill out of committee and before the House, so that the Members may vote on it. These efforts have been unsuccessful because of the views of a few members of a committee.

I am referring to H. R. 2, the old-age pension bill, which replaced the Townsend bill, H. R. 4199, of the last session.

I have taken the floor today in an appeal for a report on this bill by the Ways and Means Committee. Whether that report be favorable or unfavorable, let us have a report. Let the bill come before the House and let the Members of the House vote.

Let it not be said that a few members of one committee have prevented this House of Representatives from expressing their wishes on a bill that has thousands of ardent supporters in all parts of the United States.

I have supported H. R. 2, and before it, H. R. 4199, because I believe it is the best of the many old-age pension bills that

have come before Congress. In my own State I have powerful evidence of the failure of State old-age pension laws to provide for the conditions that have been made very much more urgent because of the depression. I am convinced that the problem is a national one and must be handled nationally.

To the Members of the Ways and Means Committee, I wish to say, let us have an end of evasion. If you are against H. R. 2, say so. But give the rest of us an opportunity to vote our sentiments.

The rules of the House have given you the responsibility of conducting hearings on this bill and making a report. It was never intended that you bottle it up and prevent it coming to a vote. That would be government by suppression and not government by the expression of the will of the majority in Congress.

There may be, as it often has been charged, a few persons who do not want this bill to come to a vote for pecuniary reasons. But a substantial number of elderly people in my district, and I believe this also is true in the districts of most of you, want it brought to a vote. They want to know which Members of Congress are giving their true support, which Members have straddled the fence, and which Members are against them. They have a right to know.

Members of this House know where I stand on the issue. You know where many other Members stand. Again I appeal to Members of the Ways and Means Committee to report H. R. 2 immediately. Let us have a vote, and let us make it a record vote.

Mr. MARTIN J. KENNEDY. Mr. Speaker, will the gentleman yield?

Mr. HUNTER. Yes.

Mr. MARTIN J. KENNEDY. The gentleman has means at his disposal to attempt to bring that bill before the House, and I am wondering whether the gentleman has ever filed a petition to discharge the committee from further consideration of the bill?

Mr. HUNTER. That matter has been discussed by those who are supporting the bill. They feel that until the committee makes a report it might not be in order to place a petition on the desk, the committee having held hearings.

Mr. MARTIN J. KENNEDY. The House has been in session going on 5 months, and if the gentleman is going to wait any longer, I am afraid he will find his remedy will expire. I suggest, if he is earnest about this, that he start right now by putting a petition on the desk.

Mr. HUNTER. I wonder if the gentleman realizes that those supporting the bill have been delayed week in and week out by a promised report of the committee, which has not been forthcoming.

Mr. MARTIN J. KENNEDY. The Committee on Ways and Means has been extremely busy with public hearings on taxation, which is of first importance, of course; but I think the gentleman is allowing his time to run, and if he waits much longer the session will probably be over.

The SPEAKER pro tempore. The time of the gentleman from Ohio has expired.

TENNESSEE VALLEY AUTHORITY

Mr. THOMASON. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. THOMASON. Mr. Speaker, I hope at a later date the House will allot me a little time so that I may answer some of the statements made by the gentleman from Ohio [Mr. JENKINS] regarding the joint investigation of the Tennessee Valley Authority. I was a member of the joint committee, and I want to say that both the majority and the minority members representing the Senate and the House spent several months in an honest effort to arrive at the facts, and while there might be some difference of opinion regarding the findings and the recommendations, yet I think it is safe to say that nobody has said there was not an honest effort made to ascertain all of the facts.

In view of what the gentleman from Ohio had to say, it seems to me that we long since passed the day for a discussion of the policy of the T. V. A. That was determined by the overwhelming majority of the Members of Congress, including a number of Republicans, speaking for the American people more than 6 years ago; and I say without hesitation that, in spite of any mistakes that have been made, the T. V. A. presents the greatest constructive program that has ever been undertaken by this Government. We at least determined that the rivers of this country belong to the people and that they ought to be put to public use rather than exploited by private and selfish interests, and the Congress definitely established the policy that the Tennessee River should be used for navigation, flood control, national defense, manufacture of fertilizer, and, incidentally, if there was any surplus power, it should also be brought to the people for their use and benefit, because electricity, next to food and water, has come to be the greatest necessity of modern life. I am one of those who wants to see electricity brought within the reach of every home in America.

One thing in the gentleman's remarks that struck me forcibly was that although he discussed the policy of the Government embarking in that sort of enterprise, at no time, as far as I heard, did the gentleman charge the Tennessee Valley Authority with any dishonesty or lack of efficiency. In spite of mistakes and dissension, they have done a big job in a big way. It is true that when this joint committee was set up by the two bodies for a full, fair, and complete investigation of the Tennessee Valley Authority we were instructed to investigate all branches of the activity and also to make certain recommendations; but the prime object and the thing that brought about the investigation was the charge by Dr. Arthur E. Morgan that there was, in effect, graft and corruption in the Tennessee Valley Authority. I undertake to say there is no evidence to substantiate that charge in the slightest. Although more than three or four hundred million dollars has been spent, there is no evidence that any of it was dishonestly spent, although there may have been some mistakes made, as would be expected in an enterprise of that size.

I was also interested in the statement made by our colleague the gentleman from Ohio [Mr. BENDER], who has just spoken, extolling Mr. McCarl, the late Comptroller General; but I would like to invite every Member of the Congress to read carefully the report of the Tennessee Valley Authority Investigating Committee, both the majority and the minority reports, because you will find it enlightening and very helpful. You will also observe in that report about a hundred pages of testimony offered by the high officials of the General Accounting Office regarding the activities of the T. V. A., and you will also note many questions, some of them by me, and the answers to those questions quoted in the report. When asked the direct question if they could point to one thing in the T. V. A. that indicated dishonesty and corruption, they promptly and effectively answered "no." So I hope that those who have an open and fair mind on the subject will wait until they read that report, because the T. V. A. is here and it is here to stay. If anything is wrong, let us correct it but not destroy it. The T. V. A. has brought happiness and contentment to thousands of people. It is redeeming and restoring the economic life of a small empire. It is entitled to a fair trial before an honest jury.

[Here the gavel fell.]

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. MYERS (at the request of Mr. BRADLEY of Pennsylvania), for the balance of the week, on account of illness.

To Mr. FADDIS (at the request of Mr. MOSER), indefinitely, on account of illness.

EXTENSION OF REMARKS

Mr. MICHAEL J. KENNEDY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on Eamon de Valera and conscription.

The SPEAKER pro tempore (Mr. DELANEY). Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MICHAEL J. KENNEDY. Mr. Speaker, I also ask unanimous consent to insert in the RECORD an editorial from the New York Enquirer on the seventy-sixth birthday of William Randolph Hearst.

The SPEAKER pro tempore. Is there objection?

There was no objection.

ENROLLED JOINT RESOLUTIONS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 221. Joint resolution authorizing the President to invite other nations to participate in the Sacramento Golden Empire Centennial commemorating the one hundredth anniversary of the founding of Sacramento by Capt. John A. Sutter.

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S. J. Res. 111. Joint resolution designating August 19 of each year as National Aviation Day.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H. R. 1694. An act for the relief of Bozzani Motors, Ltd.;

H. R. 2529. An act for the relief of W. F. Towson;

H. R. 3230. An act to amend the statutes providing punishment for transmitting threatening communications;

H. R. 3231. An act to authorize the mailing of pistols, revolvers, and other firearms capable of being concealed on the person, to officers of the Coast Guard;

H. R. 3587. An act to authorize the Secretary of War to exchange obsolete, unsuitable, and unserviceable machines and tools pertaining to the manufacture or repair of ordnance matériel for new machines and tools;

H. R. 3811. An act to provide for the appraisal of the pneumatic-mail-tube systems in New York and Boston;

H. R. 3812. An act granting postal employees credit for Saturday in annual- and sick-leave law, thereby conforming to the 40-hour workweek or 5-day-week law;

H. R. 4087. An act to an act entitled "An act for making further and more effectual provision for the national defense, and for other purposes", approved June 3, 1916, as amended by the act of June 4, 1920, so as to confer on the commanding general, General Headquarters Air Force, the same retirement privileges now enjoyed by chiefs of branches;

H. R. 4771. An act limiting working hours of pneumatic-tube-system employees to 8 in 10 hours a day;

H. R. 4772. An act to provide time credits for substitutes in the pneumatic-tube service;

H. R. 4785. An act to provide a differential in pay for night work to pneumatic-tube-system employees in the Postal Service;

H. R. 4786. An act to extend the provisions of the 40-hour law to pneumatic-tube-system employees in the Postal Service;

H. R. 4852. An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1940, and for other purposes; and

H. J. Res. 241. Joint resolution providing for the participation of the United States in the celebration of the one hundred and fiftieth anniversary of the establishment of the United States Lighthouse Service.

ADJOURNMENT

Mr. SMITH of Connecticut. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 16 minutes p. m.) the House adjourned until tomorrow, Wednesday, May 10, 1939, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON NAVAL AFFAIRS

There will be a meeting of the Committee on Naval Affairs at 10:30 a. m. on Wednesday, May 10, 1939, for the consideration of H. R. 5766, to provide for the acquisition of the Hunters Point drydock, San Francisco Bay, Calif.

COMMITTEE ON INDIAN AFFAIRS

There will be a meeting of the Committee on Indian Affairs on Wednesday next, May 10, 1939, at 10:30 a. m., for the consideration of H. R. 4497, H. R. 4965, H. R. 5506, H. R. 5851, H. J. Res. 264, and H. J. Res. 117.

COMMITTEE ON THE POST OFFICE AND POST ROADS

There will be a hearing before Subcommittee No. 5 of the Committee on the Post Office and Post Roads on Wednesday, May 10, 1939, at 10 a. m., for the consideration of H. R. 4825, the special-delivery messenger bill.

The Committee on the Post Office and Post Roads will hold public hearings on Tuesday, May 16, 1939, at 10 a. m., for the consideration of H. R. 3835, a bill to authorize the Post Office Department to cooperate with the several States in the collection of State taxes.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, at 10 a. m., on the bills and dates listed below:

On Wednesday, May 10, 1939, at 10 a. m., on H. R. 4051, relating to hiring of seamen on Government vessels.

On Wednesday, May 31, 1939, at 10 a. m., on H. R. 4985, relating to fishery educational service in Bureau of Fisheries (CALDWELL); H. R. 5025, purchase and distribution of fish products (BLAND); and H. R. 5681, purchase and distribution of fish products (CALDWELL).

COMMITTEE ON THE JUDICIARY

There will be a public hearing before Subcommittee No. 1 of the Committee on the Judiciary on Wednesday, May 10, 1939, at 10:30 a. m., on House Joint Resolution 190, to make available to the Federal Government the facilities of the Council of State Governments, and for other purposes. Room 346, House Office Building.

COMMITTEE ON MILITARY AFFAIRS

There will be a hearing before Subcommittee No. 11 of the Committee on Military Affairs of the House of Representatives in room 1310, House Office Building, Wednesday, May 10, 1939, at 10:30 a. m., for the consideration of S. 1796, "to amend the Tennessee Valley Authority Act of 1933."

COMMITTEE ON PATENTS

A subcommittee of the Committee on Patents will hold hearings in the committee room, 1015, House Office Building, on Tuesday, May 23, 1939, at 10:30 a. m., on H. R. 3605, a bill to provide a permanent force to classify patents, etc., in the Patent Office. Hon. JOHN M. COFFEE (Washington) is chairman of the subcommittee.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

719. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 24, 1939, submitting a report, together with accompanying papers, on a preliminary examination of Fen-holloway River, Fla., authorized by the River and Harbor Act approved August 26, 1937; to the Committee on Rivers and Harbors.

720. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 24, 1939, submitting a report, together with accompanying papers, on a preliminary examination of mouth of Sinuk River, Alaska, authorized by the River and Harbor Act approved August 26, 1937; to the Committee on Rivers and Harbors.

721. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army,

dated April 24, 1939, submitting a report, together with accompanying papers, on a preliminary examination of North Slough and vicinity, Coos County, Oreg., with a view to the construction of a dam and dike to prevent the flow of tidal waters into said North Slough, authorized by the River and Harbor Act approved June 20, 1938; to the Committee on Rivers and Harbors.

722. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 24, 1939, submitting a report, together with accompanying papers, on reexamination of Bidwells Creek, N. J., requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted September 3, 1938; to the Committee on Rivers and Harbors.

723. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 24, 1939, submitting a report, together with accompanying papers, on a preliminary examination of Black River, Ark. and Mo., and waterway connecting Black River with the Mississippi River at or near Cape Girardeau, authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

724. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 24, 1939, submitting a report, together with accompanying papers, on a preliminary examination of Unga Harbor, Alaska, authorized by the River and Harbor Act approved August 26, 1937; to the Committee on Rivers and Harbors.

725. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 24, 1939, submitting a report, together with accompanying papers, on a preliminary examination of Duck Creek, Brown County, Wis., authorized by the River and Harbor Act approved June 20, 1938; to the Committee on Rivers and Harbors.

726. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 24, 1939, submitting a report, together with accompanying papers, on reexamination of Hudson River at Yonkers, N. Y., requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted March 31, 1938; to the Committee on Rivers and Harbors.

727. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 24, 1939, submitting a report, together with accompanying papers, on reexamination of Black Bayou, La., requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted April 4, 1938; to the Committee on Rivers and Harbors.

728. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 24, 1939, submitting a report, together with accompanying papers, on a preliminary examination of Kinney Coulee, La., authorized by the River and Harbor Act approved June 20, 1938; to the Committee on Rivers and Harbors.

729. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 24, 1939, submitting a report, together with accompanying papers, on a preliminary examination of Tanners Creek, Dearborn County, Ind., authorized by the River and Harbor Act approved August 26, 1937; to the Committee on Rivers and Harbors.

730. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 24, 1939, submitting a report, together with accompanying papers, on a preliminary examination of inland waterway through Cumberland, Cape May, and Atlantic Counties, N. J., connecting mouth of Fortescue Creek with Atlantic City, authorized by the River and Harbor Act approved August 26, 1937; to the Committee on Rivers and Harbors.

731. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated

April 24, 1939, submitting a report, together with accompanying papers, on a preliminary examination of Smackover Creek in Union, Ouachita, and Nevada Counties, Ark., authorized by the Flood Control Act approved June 28, 1938; to the Committee on Flood Control.

732. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 24, 1939, submitting a report, together with accompanying papers, on reexamination of Merrimack River, Mass., from Haverhill to Newburyport, requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted February 17, 1937; to the Committee on Rivers and Harbors.

733. A letter from the Administrator of the Veterans' Administration, transmitting the draft of a proposed bill to relieve disbursing officers and certifying officers for payment where recovery of such payment is waived under existing laws; to the Committee on Expenditures in the Executive Departments.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. WARREN: Committee on Accounts. House Joint Resolution 280. Joint resolution authorizing the payment of salaries of the officers and employees of Congress on the first workday preceding the last day of any month when the last day falls on Sunday or a legal holiday; without amendment (Rept. No. 569). Referred to the Committee of the Whole House on the state of the Union.

Mr. WARREN: Committee on Accounts. H. R. 6205. A bill to provide for additional clerk hire in the House of Representatives, and for other purposes; without amendment (Rept. No. 570). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. S. 1583. An act to amend the act of March 2, 1929 (45 Stat. 1492), entitled "An act to establish load lines for American vessels, and for other purposes"; with amendment (Rept. No. 574). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 5501. A bill authorizing the Secretary of Commerce to convey a certain tract of land to the State of Oregon for use as a public park and recreational site; without amendment (Rept. No. 591). Referred to the Committee of the Whole House on the state of the Union.

Mr. RYAN: Committee on Interstate and Foreign Commerce. S. 542. An act to further extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Garrison, N. Dak.; without amendment (Rept. No. 593). Referred to the House Calendar.

Mr. YOUNGDAHL: Committee on Interstate and Foreign Commerce. S. 965. An act to amend the act entitled "An act authorizing the Port Authority of Duluth, Minn., and the Harbor Commission of Superior, Wis., to construct a highway bridge across the St. Louis River from Rice's Point in Duluth, Minn., to Superior in Wisconsin," approved June 30, 1938; without amendment (Rept. No. 594). Referred to the House Calendar.

Mr. CHAPMAN: Committee on Interstate and Foreign Commerce. H. R. 4499. A bill authorizing the county of Gallatin, State of Illinois, its successors and assigns, to construct, maintain, and operate a bridge across the Ohio River at or near the city of Shawneetown, Gallatin County, Ill., to a point opposite thereto in the county of Union, State of Kentucky; with amendment (Rept. No. 595). Referred to the House Calendar.

Mr. RYAN: Committee on Interstate and Foreign Commerce. H. R. 5036. A bill authorizing the State highway departments of North Dakota and Minnesota and the counties of Grand Forks of North Dakota and Polk of Minnesota to construct, maintain, and operate a free highway bridge across the Red River near Thompson, N. Dak., and

Crookston, Minn.; without amendment (Rept. No. 596). Referred to the House Calendar.

Mr. YOUNGDAHL: Committee on Interstate and Foreign Commerce. H. R. 5523. A bill authorizing the States of Minnesota and Wisconsin to construct, maintain, and operate a free highway bridge across the St. Croix River at or near Osceola, Wis., and Chisago County, Minn.; without amendment (Rept. No. 597). Referred to the House Calendar.

Mr. O'CONNOR: Committee on Indian Affairs. H. R. 2777. A bill to credit certain Indian tribes with sums heretofore expended from tribal funds on Indian irrigation works; without amendment (Rept. No. 598). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'CONNOR: Committee on Indian Affairs. H. R. 5746. A bill to provide for the correction of the list of approved Pine Ridge lost-allotment claims, and for other purposes; without amendment (Rept. No. 599). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 5966. A bill to establish a Coast Guard Reserve to be composed of owners of motorboats and yachts; with amendment (Rept. No. 600). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. S. 595. An act to increase further the efficiency of the Coast Guard by authorizing the retirement under certain conditions of enlisted personnel thereof with 20 or more years of service; with amendment (Rept. No. 603). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. McGEHEE: Committee on Claims. H. R. 542. A bill for the relief of Anna Elizabeth Watrous; with amendment (Rept. No. 575). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 1456. A bill for the relief of Maj. Herbert A. Jacob; with amendment (Rept. No. 576). Referred to the Committee of the Whole House.

Mr. KEOGH: Committee on Claims. H. R. 3081. A bill for the relief of Margaret B. Nonnenberg; with amendment (Rept. No. 577). Referred to the Committee of the Whole House.

Mr. KEOGH: Committee on Claims. H. R. 3337. A bill for the relief of the estate of Arthur Weltner; with amendment (Rept. No. 578). Referred to the Committee of the Whole House.

Mr. HALL: Committee on Claims. H. R. 3483. A bill for the relief of Lloyd J. Palmer; with amendment (Rept. No. 579). Referred to the Committee of the Whole House.

Mr. THOMAS of New Jersey: Committee on Claims. H. R. 3614. A bill for the relief of Frank M. Croman; with amendment (Rept. No. 580). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 5087. A bill for the relief of Marie B. Neale; without amendment (Rept. No. 581). Referred to the Committee of the Whole House.

Mr. FENTON: Committee on Claims. S. 129. An act for the relief of Howard Arthur Beswick; without amendment (Rept. No. 582). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. S. 216. An act for the relief of A. C. Williams, administrator of the estate of his wife, Julia F. Williams; without amendment (Rept. No. 583). Referred to the Committee of the Whole House.

Mr. EBERHARTER: Committee on Claims. S. 633. An act for the relief of Ray Wimmer; without amendment (Rept. No. 584). Referred to the Committee of the Whole House.

Mr. KEOGH: Committee on Claims. S. 1001. An act for the relief of Albert Pina Afonso, a minor; without amend-

ment (Rept. No. 585). Referred to the Committee of the Whole House.

Mr. EBERHARTER: Committee on Claims. S. 1374. An act for the relief of Cohen, Goldman & Co., Inc.; without amendment (Rept. No. 586). Referred to the Committee of the Whole House.

Mr. ROCKEFELLER: Committee on Claims. S. 1385. An act for the relief of the Barkman Lumber Co.; with amendment (Rept. No. 587). Referred to the Committee of the Whole House.

Mr. ROCKEFELLER: Committee on Claims. S. 1387. An act for the relief of Ida May Lennon; with amendment (Rept. No. 588). Referred to the Committee of the Whole House.

Mr. POAGE: Committee on Claims. S. 1487. An act for the relief of the Postal Telegraph-Cable Co.; with amendment (Rept. No. 589). Referred to the Committee of the Whole House.

Mr. KEOGH: Committee on Claims. S. 1629. An act for the relief of the Canvas Decoy Co.; with amendment (Rept. No. 590). Referred to the Committee of the Whole House.

Mr. HART: Committee on War Claims. H. R. 2480. A bill for the relief of the estate of John B. Brack; without amendment (Rept. No. 601). Referred to the Committee of the Whole House.

Mr. POAGE: Committee on War Claims. S. 556. An act for the relief of Catherine Humler; without amendment (Rept. No. 602). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 5203) granting an increase of pensions to Robert Blake, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. PATMAN:

H. R. 6240. A bill to provide for a 3-percent interest rate on certain land bank and commissioner loans and a rate one-half of 1 percent above the Government borrowing rate on certain other such loans; to the Committee on Agriculture.

By Mr. ALEXANDER:

H. R. 6241. A bill to abolish and correct unfair and substandard working conditions and periods of labor and to raise wages and living standards among the employees of the United States Veterans' Administration; to the Committee on the Civil Service.

By Mr. LUDLOW:

H. R. 6242. A bill to authorize the erection of recreational facilities at the existing Veterans' Administration facility, Indianapolis, Ind.; to the Committee on World War Veterans' Legislation.

By Mr. MOSER:

H. R. 6243. A bill regulating the use of copyrighted works; to the Committee on Patents.

H. R. 6244. A bill to authorize the Department of the Interior, through the Office of Education, to collect and disseminate information relative to the fine arts, and for other purposes; to the Committee on Education.

By Mr. CARTER:

H. R. 6245. A bill for the relief of soldiers who were discharged from the Army during Indian war service because of being a minor or because of misrepresentation of age; to the committee on Military Affairs.

By Mr. COLLINS:

H. R. 6246. A bill to amend the Revenue Act of 1938; to the Committee on Ways and Means.

By Mr. GRANT of Alabama:

H. R. 6247. A bill authorizing and providing for the dredging and lighting of the channel known as Perdido Bay Pass leading from Perdido Bay, Ala., to the Gulf of Mexico, and

also the channel leading from Perdido Bay Pass through the Bay Orinoco to the junction with the Intracoastal waterway near the end of Bear Point, Ala.; to the Committee on Rivers and Harbors.

By Mr. GRANT of Indiana:

H. R. 6248. A bill to provide a national flag for the burial of any former service man or woman who dies after discharge; to the Committee on World War Veterans' Legislation.

By Mr. REECE of Tennessee:

H. R. 6249. A bill to amend the World War Veterans' Act of June 7, 1924, section 202, paragraph 7, and all the amendments subsequent thereto; to the Committee on World War Veterans' Legislation.

By Mr. SCHWERT:

H. R. 6250. A bill to provide for the insurance of loans to business, and for other purposes; to the Committee on Banking and Currency.

By Mr. WHELCHER:

H. R. 6251. A bill to authorize the Secretary of Agriculture to cooperate with the State of Georgia or political subdivisions thereof in the development, operation, and maintenance of recreational areas within the Chattahoochee National Forest in Georgia, and on lands owned by the State or political subdivisions thereof; to the Committee on Agriculture.

By Mr. FULMER:

H. Con. Res. 23. Concurrent resolution to increase the appropriation for the Joint Committee on Forestry by \$15,000; to the Committee on Accounts.

By Mr. GILLIE:

H. Res. 187. Resolution directing the Administrator of the Works Progress Administration to transmit information concerning salaries of certain personnel; to the Committee on Appropriations.

By Mr. MARTIN of Massachusetts:

H. Res. 188. Resolution directing the Administrator of the Works Progress Administration to transmit information concerning salaries of certain personnel; to the Committee on Appropriations.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Florida, memorializing the President and the Congress of the United States to consider their House Memorials Nos. 3, 4, 6, and 7, with reference to relief legislation, and House bill 3747, entitled "A bill to provide for improved agricultural land utilization by authorizing the rehabilitation of drainage works," to buy sea food products on a parity basis, to cause a survey to be made of the Everglades drainage district; to the Committee on Agriculture.

Also, memorial of the Legislature of the Territory of Hawaii, memorializing the President and the Congress of the United States to consider their Senate Concurrent Resolution No. 16, requesting the Congress of the United States and the War Department to establish in the United States Army a regiment of infantry to be known as the Hawaiian Regiment, composed of citizen residents of Hawaii, and to be stationed in Hawaii; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BUCKLEY of New York:

H. R. 6252. A bill for the relief of Rachmiel Kozak, also known as Ralph Kaufman; to the Committee on Immigration and Naturalization.

By Mr. BULWINKLE:

H. R. 6253. A bill for the relief of Austin M. Presnell; to the Committee on Military Affairs.

By Mr. GRANT of Indiana:

H. R. 6254. A bill granting a pension to Anna Mendel; to the Committee on Invalid Pensions.

By Mr. McLEAN:

H. R. 6255. A bill for the relief of Jozefa Niziolek; to the Committee on Immigration and Naturalization.

By Mr. REECE of Tennessee:

H. R. 6256. A bill for the relief of Jacob J. Short; to the Committee on Military Affairs.

By Mr. ROBSION of Kentucky:

H. R. 6257. A bill granting an increase of pension to William H. Hensley; to the Committee on Invalid Pensions.

By Mr. SMITH of West Virginia:

H. R. 6258. A bill conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claims of Willis Lyle Burdette, Eunice Burdette Beller, Alta Lucille Burdette Coburn, Margaret Jane Burdette, William Burdette, and Betty Burdette; to the Committee on Claims.

By Mr. WHELCHER:

H. R. 6259. A bill for the relief of Jack D. Collins; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2978. By Mr. BOLLES: Petition of sundry citizens of Waterford and Burlington, Wis., opposing any revision of our present Neutrality Act; to the Committee on Foreign Affairs.

2979. By Mr. BUCKLER of Minnesota: Petition of O. D. Hilder, president of the Townsend Club, No. 1, of Moorhead, Minn., asking for deliberate consideration of the facts set forth in House bill 2, and urging that this measure be brought out on the floor of Congress for debate and action; to the Committee on Ways and Means.

2980. By Mr. CONNERY: Petition of the General Court of Massachusetts, memorializing Congress in favor of legislation increasing the amounts of old-age assistance payable by the Federal Government to States and their political subdivisions; to the Committee on Ways and Means.

2981. Also, resolution of the General Court of Massachusetts, memorializing the Postmaster General of the United States relative to a special postage stamp in honor of Capt. Jeremiah O'Brien; to the Committee on the Post Office and Post Roads.

2982. Also, resolution of the Grand Lodge of Massachusetts, Boston, Mass., resolving that the Congress be petitioned to adopt a joint resolution manifesting a spirit of friendship toward all nations; that Congress be petitioned to request the President of the United States to participate in a conference for the settlement of all major disputes; that Congress be petitioned to reenact the present Neutrality Act without change; that Congress be petitioned to investigate the nature, sources, and extent of foreign propaganda in the United States; and that Congress be petitioned to provide adequate national defense for the United States; to the Committee on Foreign Affairs.

2983. Also, petition of the Riverside Pilots Association, Revere, Mass., protesting against the discrimination in the proposed Civilian Air Reserve plan limiting flight training to college students only; to the Committee on Appropriations.

2984. Also, resolutions adopted by Clan-na-Gael and I. R. A. Clubs of Boston, warning the United States not to become involved in any intrigue which might possibly bargain away Ireland's independence, etc.; to the Committee on Foreign Affairs.

2985. Also, resolution of the Industrial Insurance Agents' Union of Boston, opposing any amendments whatsoever to the National Labor Relations Act; to the Committee on Labor.

2986. By Mr. CULLEN: Petition of the Assembly of the State of New York, urging Congress to pass sufficient legislation whereby the States, including the State of New York, may avail themselves of their failure to take full advantage of the credit provisions of the Social Security Act for the years 1936 or 1937 and that said legislation provide that out of the sums appropriated therefore the Secretary of

the Treasury shall pay such amount through the Division of Disbursements of the Treasury Department to each State unemployment fund; to the Committee on Ways and Means.

2987. Also, petition of the Senate of the State of New York, requesting Congress to amend the postal laws by legislative act to provide that henceforth the rates proclaimed shall apply to books in the same manner as it has legislated those rates with reference to newspapers and magazines; to the Committee on the Post Office and Post Roads.

2988. By Mr. DOWELL: Five petitions from members of Townsend Club, No. 1, Pleasantville, Iowa, and other citizens of the community, supporting general welfare bill (H. R. 2) and bearing the names of M. B. Hunter, president, and Esther Metcalf, secretary-treasurer, and 469 others; to the Committee on Ways and Means.

2989. By Mr. ENGEL: Petition of Gail Sisson, Floyd Elgas, and Frank Hawkins, of Wexford County, Mich., opposing any policy which might require sending American troops beyond our borders; to the Committee on Foreign Affairs.

2990. By Mr. MARTIN J. KENNEDY: Petition of Lodge No. 352, International Association of Machinists, Corapolis, Pa., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2991. Also, petition of St. Paul Lodge, No. 112, International Association of Machinists, St. Paul, Minn., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2992. Also, petition of Raceland Lodge, No. 344, Brotherhood Railway Carmen of America, Raceland, Ky., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2993. By Mr. KEOGH: Petition of the Brightman Leather Co., Inc., Brooklyn, N. Y., urging the passage of the Allen bill (H. R. 5119); to the Committee on Ways and Means.

2994. By Mr. LEAVY: Petition of the Douglas County Pamona Grange, transmitted by G. A. Kirkwood, secretary, expressing opposition to legislation which would make water and truck transportation subject to regulation by the Interstate Commerce Commission; to the Committee on Interstate and Foreign Commerce.

2995. Also, petition of the Douglas County Pamona Grange, transmitted by G. A. Kirkwood, secretary, recognizing that the activities of futures traders governs the prices of many farm commodities, and urging adoption of a bill by Senator GILLETTE to investigate the trading in futures; to the Committee on Agriculture.

2996. By Mr. PFEIFER: Petition of the Brightman Leather Co., Inc., Brooklyn, N. Y., urging consideration and passage of the Allen bill (H. R. 5119); to the Committee on Ways and Means.

2997. By Mr. THOMASON: Petition of the El Paso Chamber of Commerce, endorsing legislation affording relief to the taxpayer under the certificate procedure of the Agricultural Adjustment Administration with reference to cotton; to the Committee on Agriculture.

2998. By Mr. VORYS of Ohio: Petition of Henry F. Steinmeyer and others, favoring an amendment to the Railroad Pension Act to pension rights at 60 years of age or 30 years of service and pension at total disability regardless of years of service; to the Committee on Ways and Means.

2999. By the SPEAKER: Petition of Ninth Congressional District Townsend Club, No. 1, Traverse City, Mich., petitioning consideration of their resolution with reference to House bill 2, General Welfare Act of 1937; to the Committee on Ways and Means.

3000. Also, petition of the United May Day Committee, New York City, N. Y., petitioning consideration of their resolution with reference to lynching in our country; to the Committee on the Judiciary.

3001. Also, petition of the United May Day Committee, New York City, N. Y., petitioning consideration of their reso-

lution with reference to the immigration laws of our land be amended so as to allow for the entrance of a large number of refugees into our country; to the Committee on Immigration and Naturalization.

3002. Also, petition of the United May Day Committee, New York City, N. Y., petitioning consideration of their resolution with reference to Senate bill 1620, national health bill; to the Committee on Ways and Means.

3003. Also, petition of Sentinels of the Republic, Washington, D. C., petitioning consideration of their resolution with reference to rehabilitation of the United States; to the Committee on the Judiciary.

3004. Also, petition of the American Farm Bureau Federation, Washington, D. C., petitioning consideration of their resolution with reference to franking privilege; to the Committee on the Post Office and Post Roads.

3005. Also, petition of the city of Chicago, Ill., petitioning consideration of their resolution with reference to interest rate on home owners' loans and to extend the amortization period on such loans; to the Committee on Banking and Currency.

SENATE

WEDNESDAY, MAY 10, 1939

(Legislative day of Monday, May 8, 1939)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Reverend Albert Joseph McCartney, D. D., LL. D., minister, the Covenant-First Presbyterian Church, Washington, D. C., offered the following prayer:

They that wait upon the Lord shall mount up with wings as eagles. They shall run and not grow weary; they shall walk and not faint.

Let us pray.

"O Thou Who hast given us eyes to see,
And hearts to love this world so fair,
Give us a faith to find out Thee,
And see Thee everywhere."

Manifest Thy presence here in this Senate Chamber. Grant unto Thy servants here assembled humility of heart, clarity of mind, charity of speech, earnestness of purpose, generosity of spirit, integrity of character, and fortitude of conviction to discharge their high responsibilities to the sovereign people of this Republic.

So direct our deliberations this day to the end that we may accomplish such legislation as shall contribute to the welfare of the Nation at home and to the release of tension abroad. Restrain our tongues and pens from foolish and hasty utterances that may engender hatred, envy, or malice, remembering that a soft answer turneth away wrath.

Remember us in our homes and in our private walk and conversation; help us to adorn the virtues of truth, purity, and righteousness.

Into Thy loving care and keeping we commit the President of the United States, the Vice President, and all those upon whom rests the responsibility of governance. These blessings we ask in the name and for the sake of Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, May 9, 1939, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Bankhead	Bilbo	Bridges
Andrews	Barbour	Bone	Brown
Ashurst	Barkley	Borah	Bulow

Burke	Green	Lundeen	Schwellenbach
Byrd	Guffey	McKellar	Sheppard
Byrnes	Gurney	McNary	Shipstead
Capper	Hale	Maloney	Slattery
Caraway	Harrison	Mead	Smathers
Chavez	Hatch	Miller	Smith
Clark, Idaho	Hayden	Minton	Stewart
Clark, Mo.	Herring	Murray	Taft
Connally	Hill	Neely	Thomas, Okla.
Danaher	Holman	Norris	Thomas, Utah
Davis	Holt	Nye	Tobey
Donahey	Hughes	O'Mahoney	Townsend
Downey	Johnson, Calif.	Overton	Tydings
Ellender	Johnson, Colo.	Pepper	Vandenberg
Frazier	King	Pittman	Wagner
George	La Follette	Radcliffe	Walsh
Gerry	Lee	Reed	Wheeler
Gibson	Lodge	Reynolds	White
Gillette	Logan	Russell	Wiley
Glass	Lucas	Schwartz	

Mr. MINTON. I announce that the Senator from Indiana [Mr. VAN NUYS] is detained from the Senate because of illness.

The Senator from Nevada [Mr. McCARRAN] is absent on official business for the Committee on the Judiciary.

The Senator from North Carolina [Mr. BAILEY] and the Senator from Missouri [Mr. TRUMAN] are detained on important public business.

The VICE PRESIDENT. Ninety-one Senators have answered to their names. A quorum is present.

NOTICE OF SPEECH BY SENATOR REYNOLDS TOMORROW

Mr. REYNOLDS. Mr. President, I wish now to state that tomorrow when the Senate convenes I shall seek the floor on a question of personal privilege, for the purpose of denying malicious, underhanded insinuations and charges by the authors of the Washington Merry-Go-Round that I am in the employ of the Nazi government and that my organization, composed of American men and women, is being financed by the agents of the Nazi government. I may add that I shall hope to have the privilege of speaking at least 2 hours.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the House had agreed to the following concurrent resolutions of the Senate:

Senate Concurrent Resolution 7

Resolved by the Senate (the House of Representatives concurring), That in accordance with paragraph 3 of section 2 of the Printing Act approved March 1, 1907, the special joint congressional committee of the Congress appointed pursuant to Public Resolution No. 83, approved April 4, 1938, to make a full and complete investigation of the administration of the Tennessee Valley Authority Act of 1933, as amended, be, and is hereby, empowered to procure the printing of 1,000 additional copies of the hearings held before the said committee during its investigation.

Senate Concurrent Resolution 9

Resolved by the Senate (the House of Representatives concurring), That there be printed 3,000 additional copies of Senate Document No. 56, current session, entitled "Report of the Joint Committee of Congress Appointed to Investigate the Tennessee Valley Authority," which was submitted to the Congress on March 31, 1939, of which 1,000 copies shall be for the use of the Senate document room and 2,000 copies for the use of the House document room.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 964) creating the Arkansas-Mississippi Bridge Commission; defining the authority, power, and duties of said commission; and authorizing said commission and its successors and assigns to construct, maintain, and operate a bridge across the Mississippi River at or near Friar Point, Miss., and Helena, Ark.; and for other purposes.

The message further announced that the House had passed a joint resolution (H. J. Res. 280) authorizing the payment of salaries of the officers and employees of Congress on the first workday preceding the last day of any month when the last day falls on Sunday or a legal holiday, in which it requested the concurrence of the Senate.